New Gold "Baby" (Page 14)

Brewers' Hotels (Page 8)

THE FINANCIAL POST

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The Nation's Business

Hepburn Tackles Relief

Harvest Time Shows Need for Reform

Rolls Need To Be Purged

Wrong Men Slated For Wheat Board

Public Problem Number One

ONTARIO's Mitchell F. Hepburn put his finger on Public Problem No. 1 this week when he announced initial steps toward a programme designed to reduce the soaring cost of relief in the province. Relief costs for the province in May are placed at $833,000—a gain of 6.5 per cent over the same month last year despite general all-round improvement in business in the meantime. Similar figures can be duplicated in most parts of Canada. In Toronto, for example, relief has cost the city 22 per cent more during the first six months of the year than in 1934.

As a starter, the Premier plans to throw relief responsibility directly back on to the municipalities, by restricting cash payments to a flat $5 per unemployed person per month except for insolvent communities which are to get $7.50 per person. The action follows investigations which showed that where municipalities administered their own relief the cost per capita was much less than when the province had control. Previous payments by the province had varied from $3.50 to $13.50 per month per person depending on the financial condition of each municipality. A saving to the province of $10 millions annually is estimated.

The Premier's action will doubtless promote bitter controversy among community politicians, but it deserves praise in that it draws attention to two fundamentals, namely, the need for making each municipality directly responsible for its own relief administration and, secondly, the many anomalies and inequities in the hodge podge system which has grown up in the past few years. It should also bring into focus the larger and long range problem of how best to allocate the functions of government between province and municipalities under present day conditions. These conditions have changed so vastly in the past decade that drastic changes may be necessary before we arrive at a workable basis for the future.

* * *

Farm Versus City

APART from financial considerations the Premier has apparently a second motive behind his move, namely the purging from provincial relief rolls of all "single" able-bodied unemployed in an attempt to get these idle hostel-dwellers off the taxpayers' back, at a time when farmers' fields are ready for the harvest and much in need of workers. "Single" men it should be explained is a term used to describe those "who do not live in a municipality and for whom special provision has to be made irrespective of family." Loose use of this word was responsible for this week's wordy battle between the chief magistrate of Toronto and the Premier, and in which the Mayor of Hamilton was unwittingly involved.

In other provinces similar action is being taken or discussed, thus clearing the way for action on what is perhaps the biggest single problem this country must face in the next few years. Ever since the first $20 millions was voted by Ottawa in September, 1930, the relief of unemployment has assumed national proportions until today it ranks ahead of the C.N.R. in financial and social significance, because of its intimate contact with every community and almost every family in the Dominion. To-day, after five years of cumulative effort, with one person in ten dependent on the government for some form of relief, we face the task of unscrambling this national omelette and Premier Hepburn will have accomplished a mighty feat if he can show us how to find the correct formula.

* * *

AND it is fitting that we tackle the job at harvest time. For nothing should dramatize the problem more clearly for Canadians than to witness the anomaly of thousands of able-bodied men twiddling their thumbs at relief hostels while crops go to waste for lack of helpers. Not that the solution is to be found by merely bringing these two together—the problem is much deeper, much more complex than that—but merely that harvest time puts the prob-

(Continued on page 2, col. 3)

AT LEAST 150 CIVIC BODIES IN DEFAULT

Exact Number Uncertain and Not Ascertainable

DOLLAR BEST GUIDE

Size of Debt of Greater Significance Than Number of Defaulters

The number of defaulting municipalities in Canada is variously placed between 100 and 400, with an even chance that both outside figures are correct.

In response to several requests for figures on the number of defaults in Canada by provinces, The Financial Post estimates that at least 150 Canadian municipalities are in default of principal and/or interest of debt.

There are no municipal defaults in the maritime provinces.

Quebec has 50 and perhaps 60 defaulters.

Ontario has at least 35 defaulters.

Manitoba has at least 15, British Columbia at least seven.

This gives a total of between 107 and 117. Probably 120 to 125 would be close to the actual number in the seven provinces enumerated.

Two Unknowns

Alberta and Saskatchewan are puzzles. The large defaults are scarce in these two provinces and these defaults have been adjusted. So such municipalities cannot now be placed fairly on the black list. There are dozens of small rural communities and school districts which have been in arrears of payments which might be termed defaulting municipalities. The numbers are unknown. It is a conservative estimate to place the number at 25 to 30. It is probably several times as high. The small amounts concerned in such arrearages of payments, however, make the defaults of relative insignificance. This gives a total of at least 150 defaulting municipalities.

Because of duplications of defaults, as for a town and its school district, the figures for number of defaults are not strictly reliable. The totals in dollar amount are a better guide to the municipal default situation. Fortunately, recovery of national income has halted the spread of defaults.

Defaults by amount are approximately as follows, The Post estimates:

Municipal Defaults
(In Millions of Dollars)

	Bonds in default	Total municipal debt	Per cent in default
Province:	$	$	$
Ontario	98.5	494.4	19.9
Manitoba	12.0	92.5	13.0
Saskatchewan	4.0	46.6	8.6
Brit. Columbia	11.2	129.9	8.6
Quebec	15.0	392.2	3.8
Alberta	.5	76.9	.6
Maritimes	none	54.8	.0
Total	141.2	1,287.3	11.0

EXPRESS DOUBTS OVER INSURANCE WALKER'S PLANT

Liability Hinges on Whether Collapse Preceded Peoria Fire

Financial newspapers in the United States say that there is some question as to the extent to which insurance companies are liable for the Peoria fire which destroyed No. 3 rack warehouse of Hiram Walker & Sons distillery. They state the question turns on whether or not the huge warehouse with its 4 million barrels of young whisky bulged and collapsed before the fire or whether fire started the trouble.

Liability on No. 3 rack warehouse is stated to have been limited to $1.5 millions but damage is more than $2 millions. Insurance loss would be $3 millions if fully collected, including damage to other buildings.

Officials so far have declined to comment, stating that witnesses disagree as to whether or not the fire followed the collapse. Most insurance forms carry the following clause, "If a building or any part thereof falls, except as a result of fire, all insurance by this policy on such building or its contents shall immediately cease."

No one in Toronto seems to know whether this clause occurs in the insurance contracts or not.

Paramount Publix Earns $2.4 Millions in Quarter

First quarter earnings of Paramount Publix Corp. for the quarter ended June 30, 1935, were $2.4 millions after depreciation, federal taxes and amortization.

On June 22 cash on hand was $20.8 millions of which $7.6 was in the hands of trustees. On June 25 $5.2 millions was paid banking creditors under the terms of the reorganization agreement. Second preferred shares have been sold to common shareholders in July to reimburse the treasury for this amount.

Call 5 and 5½% Bonds Sisters of St. Joseph

All 5 and 5½ per cent first mortgage bonds of the Sisters of St. Joseph for the Diocese of Toronto have been called for redemption at 100 on Nov. 1, 1935.

BRITAIN AIDS CAN. FINANCE BY INVESTING

But U. S. Money Flow Now Offsetting British Ebb

DEAL IN SECURITIES

Inflow of Outside Money For Investment in Canadian Securities Totals $79.1 Millions Since 1933

Between Great Britain and the United States, Canada has had good fortune in attracting investment funds in the last 29 depression months.

British money has flowed into Canada at times when it was sorely needed to offset American sales of Canadian securities. When British investors have shied off Canada, the Americans have come forward to buy our securities.

The net result of these trends has been that, apart from new offerings, there has been a net amount of $79.1 millions of money invested in Canadian securities from abroad in 1933, 1934 and in the first half of 1935.

Official government figures confirm The Financial Post's report of two weeks ago that U. S. money is now coming into Canada in large amounts. British investors are now sellers of Canadian securities, reversing the attitude of the past two years. This is attributed to default scares in connection with Vancouver's finances and Ontario Hydro contracts.

Amount Involved

Investment of cash from abroad in Canadian securities between January, 1933, and May, 1935, has been as follows:

Investing in Canadian Securities

	Purchases by outsiders	Sales by outsiders	Net purchases
	$	$	$
1933	288,749,571	237,727,589	51,021,982
1934	321,171,488	312,257,155	8,914,333
1935*	113,841,659	94,656,794	19,184,865
Total	723,762,718	644,641,538	79,121,180

*First five months.

The remarkable manner in which British purchases have offset American sales of Canadian securities, and vice versa, is shown in the table below. It covers purchases and sales of Canadian securities in the first five months of 1933, 1934 and 1935. The figures follow:

International Dealings in Canadian Securities
(In Millions of Dollars)
Net purchases (+) net sales (—)

1st 5 mos.	U. S.	Britain	Other	Total
1933	+21.2	— 2.0	— 1.7	+17.5
1934	—31.4	+54.5	+ .2	+23.3
1935	+30.6	— 9.3	— 2.1	+19.2

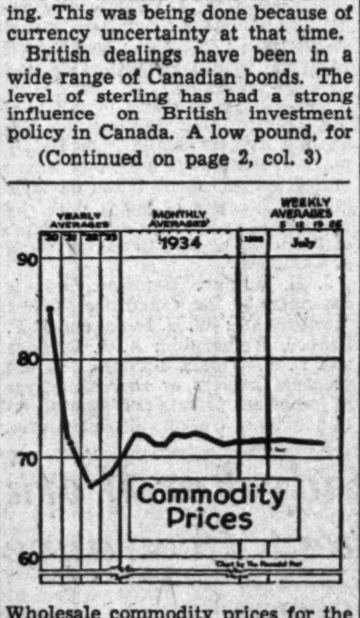
Unfortunately, it is not possible to determine the precise securities bought and sold in Canada by outside investors.

Bonds and Stocks

Bonds are known to predominate in the transactions. At times, however, stock market transactions are important. For instance, in the latter part of 1933, when Americans were sellers of Canadian bonds, there were off-setting purchases of Canadian gold and liquor shares by U.S. investors. Also, early in 1933, when Americans were investing heavily in Canada, purchases were largely of bonds payable in either U.S. or Canadian dollars or in sterling. This was being done because of currency uncertainty at that time.

British dealings have been in a wide range of Canadian bonds. The level of sterling has had a strong influence on British investment policy in Canada. A low pound, for

(Continued on page 2, col. 3)



Wholesale commodity prices for the week ended July 26 showed no change at 71.4, according to the weekly index of the Dominion Bureau of Statistics.

New Companies Act Applies on Sept. 15

The Dominion Companies Act, as amended in 1935, will come into force and effect on September 15, 1935. Proclamation is given in The Canada Gazette of July 27 to that effect.

The Act received assent on July 15 but the delay in bringing it into force is designed to allow "a reasonable period of time within which an opportunity may be given companies which are subject to the provisions of the Act to make preliminary preparations for compliance therewith."

The proclamation is made by the Rt. Hon Lyman P. Duff, deputy Governor-General and Chief Justice of the Supreme Court of Canada.

FIND BRIBERY IN UNLISTED STOCK DEALS

Securities Commissioner Lays Charges, Makes Suspensions

PUBLIC FLEECED

Widespread bribery in unlisted stock transactions was uncovered by John M. Godfrey, Ontario Securities Commissioner, in the course of an investigation which is still continuing. In the meantime two criminal charges have been laid and six non-member brokerage houses suspended. No names have been given out.

For several years a number of strong Toronto Stock Exchange houses have had unlisted stock departments. In many cases young employees are in charge of the departments. These young men, states Mr. Godfrey, have been bribed to sell or buy unlisted stocks at prices which favor the unlisted trader who agrees to split the difference. The member houses of the Exchange are not themselves implicated in any way.

There were two ways in which the guilty traders acted. If selling a stock to an unlisted trader he would sell at a few points below the market and would divide the resultant profit with the dealer. If he were buying from the dealer he would pay a few points more than the market and again divide.

Found 25 Cases

Some of these non-member houses carried trading accounts for the young fellows presiding over unlisted departments of stock exchange houses. If they made money on these accounts the young chaps got a profit and if they lost nothing was said to them about it.

Twenty-five to 30 cases of such transactions were discovered by Mr. Godfrey. A remedy for this state of affairs has not yet been found. Mr. Godfrey had first the idea of a clearing house for unlisted stock transactions but it was stated that that would interfere considerably with the process of getting money for mines.

It has been a practice also in selling of unlisted stock to give quotations which are above actual sale prices. Seeing these quotations a member of the public buys the stock thinking he can make a turn and finds that he cannot sell at the prices given.

Don't Want Exchange

Talk of a new exchange on which all such transactions shall take place does not represent the probabilities. It is believed that the Securities Commissioner does not want to see a second exchange started and the Toronto Stock Exchange certainly does not.

Various suggestions for centralizing trading in some department of the Toronto Exchange have also been made. Principal unlisted securities dealers have opposed this on the ground that the marketing of unlisted securities is altogether different from trading in securities listed. It requires special talents and special sales measures and sales of many such securities which are worth while on the basis of revenue available would be impossible if salesmanship were not also applied. It is a question of bargaining rather than any set market price, they say.

Nevertheless some plan will be worked out, it is stated, to eradicate the evils that have grown up.

Regina Wheat Authority Sees 297 Million Bu. Crop

From Our Own Correspondent

REGINA.—Wheat crop prospects in western Canada show a drastic reduction during the past month, according to Gordon Brown, wheat authority of this city, who has just returned from a personal survey covering over 4,600 miles through the three provinces.

"Observations based on this survey," said Mr. Brown to The Financial Post, "would indicate a total wheat crop of 297 million bushels divided roughly as follows: Manitoba, 22 millions; Saskatchewan, 178 millions, and Alberta, 97 millions. Last year's crop in the three provinces was 261 million bushels.

"Out of a total seeded acreage of 22 million acres, 6 million acres in Manitoba and Saskatchewan are badly infested with black stem rust, of which at least 2 million acres are now a complete loss. Another 3 million acres covering extreme western Saskatchewan, east central and southern Alberta have been so badly damaged by drouth that hundreds of thousands of acres will not be worth harvesting. About 500,000 acres in extreme northwestern Alberta show such a backward condition that heavy frost damage will probably result.

"Present conditions would indicate that the quality will be below that of last year."

"SPEAKING OF THE REDISTRIBUTION OF WEALTH . . ."

—Drawn for The Financial Post by R. Kaell.

Would Allow Canada Two Million Ton Quota U.S. Newsprint Imports

Stevens' Henchmen Seek Subscriptions

Open solicitations of subscriptions for the Reconstruction Party of Hon. H. H. Stevens were being made in Toronto this week. It is reported that similar solicitations are also being made elsewhere.

Smaller merchants, manufacturers and other business men are apparently the white hopes upon which the Stevens solicitors are counting for financial support. Judging from a conversation of one of the solicitors with The Financial Post, the main thing is that the individual should subscribe to the campaign funds, whether be votes for "reconstruction" or not.

But American Timber Interests Want Home Resources Developed

IMPORTS 50 P.C.

Hope For Unofficial Agreement With Canada to Maintain Minimum Price of $40 a Ton

From Our Own Correspondent

WASHINGTON, D.C. — United States newsprint interests are bringing pressure on the state department and President Roosevelt to put a quota limit of two million tons annually on imports of Canadian newsprint in any trade agreement made with Canada. The Americans are also endeavoring to get the state department to arrive at some unofficial understanding that Canadian mills will agree not to cut prices under $40 a ton.

What they seek is some agreement such as that given by U. S. Ambassador Bullitt in the recent trade understanding with Russia that the Soviet would buy $30 million of goods in the U. S. This is not written in a treaty but is an assurance.

N. R. A. Upset

The price question had been satisfactorily settled previously when Canadian mills followed the terms of the American N. R. A. newsprint code though not officially bound by it.

The Supreme Court decision against N. R. A. wiped that out though an effort is being made to live up to the code voluntarily. A quota limit of two million tons would cover maximum Canadian newsprint exports in the past to the U. S. but would allow little for future expansion.

Pressure has also been exerted on the state department by American timber interests to hold up trade negotiation until printed reports are made available of the document on the pulpwood and newsprint paper production possibilities of the United States. The government printing office is rushing the work on the 184 page report and there is a significant demand from numerous senators for copies.

The gist of the report, made at the direction of Secretary Henry A. Wallace of agriculture, is this:

Develop Resources

That under sound forestry development and control, the United States could easily and ultimately supply all its own newsprint requirements provided factors of competitive costs and the advantages of foreign trade are ignored. Secretary Wallace, himself, points this out in a covering letter on the report to the senate. He adds, significantly, that "in the long run we should be able to meet foreign competition successfully, especially since increasing world consumption may be expected to exert greater pressure on diminishing timber supplies in most exporting countries."

The report, however, points out the danger involved in this further extension of self-contained nationalism. In the foreword, statistics are cited to show that of the 11 million tons of paper annually consumed in the United States, more than 50 per cent of these requirements are imported as paper, pulp or pulpwood, mainly from Canada, Sweden and Finland; that the imports of paper are almost wholly newsprint totalling 2 million tons annually of which nine-tenths comes from Canada. In addition about three-quarter million cords of pulpwood are imported, practically all from Canada.

Seek Canadian Trade

In the last section of the report, dealing with the possible effect on foreign trade through cessation of

(Continued on page 2, col. 7)

PAGE HERSEY 1935 VOLUME REPORTED UP

Supplies Pipe For 60-mile Gas Line to London

EXPORTS 20 P.C.

Business of Page-Hersey Tubes, Ltd., so far in 1935 is slightly higher than in 1934 when the company earned $3.55 a share on 174,276 shares of no par value common stock and paid $3 a share in dividends. As the operations in 1934 had shown a considerable gain over 1933 because of better conditions in the building industry the situation in 1935 is regarded as satisfactory

Gets Big Contract

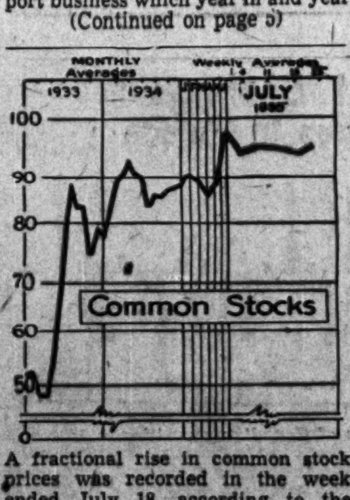
The company has considerable domestic business. The largest single contract at present is supplying pipe for a 10-inch 60-mile gas line by which Union Natural Gas Co. proposes to supply the needs of London, Ont. That line is now a very busy scene with 24 trucks carrying and laying pipe on the ground.

As natural gas is gaining in favor throughout the Southern part of Ontario this business is a promising one for Page-Hersey as it is the only Canadian company engaged in it. Competition is supplied by imports from British and United States sources.

Exports 20 Per Cent

The Western business is slightly ahead of last year and so is the export business which year in and year

(Continued on page 5)



A fractional rise in common stock prices was recorded in the week ended July 18, according to the Dominion Bureau of Statistics index. Comparative indices will be found on page 5.

Highlights

Investment Eggs

For effective evasion of investment losses from inflation, it is necessary to keep the right eggs in the right baskets all the time. Some pros and cons of varied inflation hedges. Page 9

Roosevelt Reaction

Mr. Roosevelt has lost some of his rulership of the Washington roost. It means he may have to alter his legislative ideas. Page 6

Liberals Ahoy

The King platform interpreted. Also the men who are behind it. Page 3

Brewers' Hotels?

Are Canadian brewing companies boosting Ontario sales by financing new hotels? Page 8

Nervous Wheat

Winnipeg appears worried as Ottawa apparently reverses new grain policy. Page 13

Business Trend

Far eastern and far western areas of Canada had the best June business experience. Analyses by areas, however, shows that there is no serious backsliding. Page 7

Paper Currency

There is a belief that Canada's gold supply is the measure of real ability to issue currency. Why this is only half true. Page 4

Mud Lake Area

Quebec's most youthful gold area is in the mining spotlight. Stimulated by spectacular finds at the McIntyre-Porcupine property, development is in the ascendant. The Financial Post visits the area. Page 14

Directors' Responsibility

It is not enough for a director just to say that he disapproves of a company's policy. He should take definite action, according to findings of the Manufacturers' Finance enquiry. Page 9

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ALBERTA VOTE PEA SOUP FOG TO WISEACRES

May Average Four Candidates For Each of 63 Seats

SOCIAL CREDIT ISSUE

Aberhart Party Strives to Maintain Frenzy of Spring Enthusiasm For Social Credit

From Our Own Correspondent

EDMONTON.—Alberta is now in the midst of the most complex political campaign in its history. While predictions are being made as to the outcome they are just guesses. There is no precedent for this set of conditions by which to judge the present general election. No yardstick is available until the ballots are counted August 22.

The outcome of the election is of prime interest to investors in Alberta bonds because of the "social credit" issue involved. Election of a social credit government would be considered disastrous by bondholders.

The creation of the Aberhart social credit party, with its promise of monthly cash dividends to every adult, has complicated an already complicated political situation. In the 1930 election there were United Farmer, Conservative, Liberal, Labor and Independents in the field. On this occasion, in addition to all these, there will be Aberhart candidates in every constituency, a few Douglas social credit candidates, and the Communists will also contest several ridings. It is estimated that nomination day will find a general average of four aspirants for each of the 63 seats. Anything is liable to happen.

Aberhart Movement

There are many people who claim that the Aberhart campaign has passed its zenith and is now on the decline. They base the statement on the fact that Aberhart has seriously contradicted himself on many occasions of late and that he is hopelessly tangled in trying to explain how he proposes to raise the enormous amount required for monthly "basic dividends." His meetings are still well attended, but not all who are present are disciples. Many are merely curious onlookers.

Because the Aberhart political movement has always been intertwined with religion, with its doctrines expounded over the air every Sunday from a religious edifice, the opposing parties feel themselves at a disadvantage. They are not under the leadership of men who have won reputations as expounders of the Scriptural prophecies or who preach politics on Sundays. In recent weeks, Aberhart followers have been advised to pray for the success of the cause. This advice may be a sign that the leader is finding it somewhat difficult to maintain the holy enthusiasm for the social credit campaign which was in evidence at the Aberhart conventions in Calgary and in this city in April. The Reid U. F. A. government no doubt has done a good job for itself by putting off the election to such a late date in summer.

Political Complexities

Labor, Communists and Douglas social credit need not be regarded as serious factors in the contest. So far as the latter two are concerned, it looks like a case of free advertising. Labor will not increase its membership in the legislature. The Liberals, U. F. A. and the Aberhartists are attracting the most attention at present while the Conservatives may be regarded as dark horses. The latter have placed a large number of candidates in the field, and may improve their standing in the house, provided there is a notable swing away from social credit, for D. M. Duggan, the party leader, has declared unequivocally against the dangers of the new political nostrum.

Liberals

The Liberals are presenting a wide-gauge programme, which includes a demand for advanced monetary reform. They also express willingness to study the theory of social credit and if there is any good in it to give it a trial. Since the report of Major Douglas has been published, the U. F. A. government has come out fairly strongly against the Aberhart proposals. By so doing it is taking a political gamble because social credit is expected to cut most heavily into the normal U. F. A. strength. Government spokesmen are making much of the Aberhart admission that it would take a year and a half or two years to put his system into force. They ask what is to become of his hungry followers in the meantime.

Everyone in Alberta is guessing at the result of the election. Here is one which is worth no more than any other guess on an election or a horse race: Liberals, U. F. A. and Aberhartists will elect groups of about equal numbers, with the Conservatives a poor fourth. If and when this occurs there will be an anti-Aberhart coalition formed.

Heavy Chemicals

Production from the acids, alkalies and salts industry during 1934 was valued at $16,494,139, an increase of almost 30 per cent over the 1933 total of $12,713,045.

Busy Executives . . .

It is for you that we have established our Personal Service Plan. Here in EATON'S modern new Men's Furnishings Department a staff of picked salesmen will consider it a privilege to show you the season's newest shirts, neckwear and other accessories in the privacy of a special room. Drop in at your earliest convenience.

MAIN FLOOR—QUEEN STREET

THE T. EATON C^O LIMITED

The Nation's Business

(Continued from page 1)

lem squarely before us in terms that we cannot fail to understand.

* * *

Start Must Be Made

A START must be made somewhere to deal with the problem of unemployment relief. Mr. Hepburn will doubtless be criticized, but any move which promises to force widespread action toward solution must be considered constructive.

George Wilson, Toronto's Commissioner of Finance, has made a valuable contribution to suggestions for solution of the relief problem. Elsewhere in this issue The Post publishes his proposal to demobilize all relief recipients to eliminate excessive disbursements. Taxpayers, national, provincial and municipal, will agree with Mr. Wilson that it is an anomaly to have relief costs mounting when the need for relief disbursements is diminishing.

Experience in the United States where similar suggestions have been put into effect indicates that a relief roll purge such as Mr. Wilson suggests could readily be carried out and if properly done would have immediate financial and moral benefits. It would be an important initial step that might well be followed by every municipality of any size in Canada, irrespective of whether its hands are being forced by provincial or federal action. For when winter comes, spring will seem far behind. The need for relief for the unemployed will be more marked with the hardships of the winter season.

The permanent cure for unemployment and relief is primarily a matter of "jobs." As relief expenses mount, the burden on industry and unemployment both become greater. As relief expenses can be reduced, the burden is lessened and employment will increase. This is a goal which must be kept clearly in mind.

* * *

New Blood Needed For Wheat Board

WHEN Parliament was induced to pass the Wheat Board legislation in the closing hours of its final session, there was a clear understanding that a change of policy was being provided for, a policy of selling Canadian wheat instead of attempting to hold up prices in the international market by not selling, and by accumulating stocks. Consequently there is room for grave misgiving in reports that the new board will be headed by John McFarland, with Paul Bredt as a colleague, and that the same personnel is expected to carry on operations under the new legislation, as has been unofficially in control during recent months.

Whatever high opinions may be held of Mr. McFarland's personal qualities, whatever sympathy may be extended to him on account of his recent illness, it is obvious that both a change in policy and a change in personnel is required. To continue the same administration would be to make a mockery of the legislation recently passed.

THERE is no need to elaborate in these columns Mr. McFarland's position, but Mr. Bredt's name is not so well known and it is probably desirable to point out reasons that make his appointment unsuitable.

Mr. Bredt has been a director of Canadian Co-operative Wheat Producers during the whole term of Mr. McFarland's administration. He consequently shares some measure of responsibility for what has been going on, and in addition he and his fellow directors stand in the public mind for one of the chief influences responsible for developing the non-selling policy of recent years. That in itself would be sufficient reason to make him ineligible.

But he was also a director in the days before Canadian Co-operative Wheat Producers had lost control of its affairs through appointment of a general manager to whom all power had been surrendered. He was a director when the Wheat Pool Selling Agency got into the trouble that brought the provincial government to the rescue of its banks, and made it necessary for those governments to put up $23,000,000 to discharge their guarantees. Moreover Mr. Bredt still thinks the pool directorate and management were entirely right during that period, as he recently made clear to a Parliamentary Committee. He is entitled to that opinion, but when the rest of the country emphatically thinks otherwise, hardly to public office, in which he presumably would desire to be guided by the same ideas as he held in 1929.

* * *

MOREOVER the country is entitled to demand a certain degree of good fortune in the record of its public servants, and Mr. Bredt has been unfortunate, at least for his associates. He was a member of the directorate of the Manitoba Pool, which went into bankruptcy, while the Pools of Saskatchewan and Alberta were able to survive. The members of that Pool lost an equity which had been represented to them as worth some $3,000,000. In addition the Manitoba government in connection with its pool guarantees, has had to write off as entirely uncollectible $1,250,000 of its guarantee payments to the banks, while the governments of Saskatchewan and Alberta still hope to recover their advances in full.

Mr. Bredt also has undischarged public responsibilities which should preclude him from accepting others. He is president of Manitoba Pool Elevators, which after the write-off just mentioned, still owes the Manitoba government some $2,000,000 and Manitoba still looks to him to see that this sum is earned and paid. As a director of Manitoba Pool, even though that organization has become bankrupt, he presumably still owes the pool farmers of Manitoba some accounting for the 1930 crop entrusted to that organization.

The durum wheat producers of that province are still unsuccessfully seeking an explanation of why they were never able to get a reasonable return for the high premiums at which their wheat was disposed of several years ago. Even if no more money can be produced, the accounting can still be laid before farmers so they can see what happened.

A proper sense of the fitness of things will prevent either the offer to or the acceptance by these men of office under the Canada Wheat Board Act.

FROST STEEL DOING BETTER SAYS OFFICER

President Terms Sales Increase "Very Gratifying"

Frost Steel and Wire Co., Hamilton has enjoyed "a very gratifying increase in sales this year," over 1934, states Alex. L. Page, president and general manager, in a letter to Canadian Machinery, Toronto.

Normally the summer season is less active than others because demand for fencing from farmers is at a low ebb during the crop period. Partly to try to offset this seasonal inactivity, the company has developed a new line of wire mesh for reinforcing plaster walls. Demand for such products from the building trade is most active in the summer months. The new line, states Mr. Page, "we expect will iron out the valley caused from less active demand for fencing throughout the summer and fall."

Dividends on the company's first preferred shares were resumed in December, 1934, after a lapse of nearly three years. The full seven per cent rate is being maintained. Arrears amount to $17.50 a share.

In the year ended Oct. 31, 1934, net earnings after all charges were $15,546, against a loss of $70,132 in the preceding year. Adding $6,530 interest on investments, net income was $22,076 in the 1934 year.

Maintenance of the full seven per cent dividend on the preferred shares requires some $59,000 annually. Since three successive quarterly payments have been made, it is believed that net profits this year must be running at least double those of 1934.

In the Mail

A Subsidy for Wheat

Editor, The Financial Post,—

I was interested in the address of Rt. Hon. J. A. Lyons. I wanted to trace what reference had been made, if any, to the relation between the Australian Government and the country's primary producers—particularly the wheat growers. Beyond the depreciation of the currency by 25 per cent which, according to Mr. Lyons "acted as a subsidy to our primary producers, the farmers, and it kept them in production," no direct reference was made.

I was surprised at this, because only last week I heard from an authoritative Australian source:

"This year a sum of approximately £4,000,000 is being paid to wheat growers as a bounty, and the sum of £12,000,000 is being made available for the assistance of producers throughout Australia, spread over a period of three years."

I am not necessarily endorsing the "subsidy" principle. But when I consider the fact that the Commonwealth's wheat production in the past four years amounts to not much more than 50 per cent of Canada's bushelage, it seems to me that that bounty of just $20,000,000 this year is an important gesture as between urban and rural Australia.

Outside that 5-cent "bonus" to Canadian wheat growers some years back, has there been any eequivalent effort on the part of urban Canada "to keep our primary producers in production?"

What color of right have the people of industrial Canada to get their wheat at the so-called "world price," when everything they produce and sell to the primary producer wins a North American valuation?

I've always thought that most unfair to our wheat growers.

WALTER P. DAVISSON.

Toronto.

Covering Canada . . . and Knowing Conditions.

MODERN, EFFICIENT BANKING SERVICE . . . . *the outcome of 117 years' successful operation.*

BANK OF MONTREAL
Established 1817

SIMPSON SUPREMACY TOWELS

Pair $1

Leaving town for the week-end? Don't forget to take along a pair of these big, burly, thirsty, Simpson Supremacy towels. Buy them for the cottage. They're "tops" in the home, too. Woven Jacquard patterns with stripe patterns and borders in mauve, blue, gold, green, or rose. Large size: 23 x 44 inches. At $1 pair.

Simpson's— Second Floor

Simpson's
THE ROBERT SIMPSON COMPANY LIMITED

Other People's Views

Might Be Good Thing
Hanna Herald

While we are not in accord with the Aberhart social credit party, we cannot conceive that the blue ruin so carefully predicted by some opponents will follow if perchance William Aberhart and his cohorts are placed in power.

It is possible that provincial bonds may go down in price and even likely that further sales will be restricted. This would unquestionably handicap the operations of the new government but it would not necessarily demoralize it completely. In fact it might not be a bad thing if Alberta's credit was restricted and spending curtailed. The budget would then have to be balanced and the province live within its income.

Deliberate Spending
Chicago Herald-Examiner

Taxation is crushing the people of the United States under its insupportable burden.

It has already throttled business recovery in many fields.

It has greatly diminished the sources of employment by forcing an increasing number of prosperous concerns into liquidation and sending capital in helter-skelter flight to escape the marauding reach of the new deal and its programme of confiscation.

The source of mounting federal taxes is the insensate spending of the administration.

But spending is one of its positive aims.

"Deliberate spending" is an established, authentic, taught and practised theorem of Socialism.

Spending—Not with a view to resultant benefits nor with any thought at all as to its effects, however disastrous.

But spending for the sake of spending—the faster, the more lavish and wasteful, the more reckless and exhausting—the better.

Waste, impoverishment, reduction to impotence—is Socialism's method for undermining individualism and capitalism.

Socialism may not be able to persuade or convince our people, but it thinks it can exhaust them into submission.

With resistance gone, it reckons that it can rear its hateful collectivism and regimentation upon the only foundation it knows—Ruin!!

Such is the policy of "deliberate spending" which the alien-minded coterie of radicals who surround the President are forcing ahead, to the infinite sorrow and tragic hurt of the nation!

The Forty-Hour Week
New York Times

While it is impossible to attribute the course of the volume of employment to any single factor, many economists hold that the forty-hour week has retarded recovery. This was the conclusion of the Brookings Institution in its recent study of the N.R.A. The notion that the increasing mechanization of industry necessitates a permanently shorter work week in order to maintain full employment it put down as a popular fallacy. "There have been enough workers displaced by machinery in the past hundred years to have put the entire working population completely out of employment several times over, had not the machines made jobs as well as abolished them." A permanent reduction in the working week could be justified, it was argued, only on one of two grounds: that the existing week was too long for the maximum output per worker, or that the worker generally would prefer to produce and consume less in exchange for greater leisure. It concluded that in general the forty-hour week involves a substantial lowering of per capita output below that attainable with longer hours; while "in view of the inadequate standard of living accruing to the masses * * * it seems exceedingly doubtful if any large proportion of the workers would deliberately choose so great an addition to their leisure at the expense of their consumption of goods and services." Increases in hourly wage rates, in short, have commonly taken place with weekly wages unchanged, but by raising costs of production, in certain instances they have raised prices and to that extent left the worker worse off in purchasing power.

Says British Opinion Optimistic on Stocks

R. M. Bird, of J. H. Crang & Co., Toronto, reports highly optimistic investment opinion in Great Britain where he recently spent two months. He quotes one British share buyer as stating:

"It may not be possible to find immediate value in earnings in some of the shares I am buying, but I am so thoroughly convinced that in the next few years industrial shares will double in value, that I am not concerned whether they are 10 or 15 per cent too high today. I dare not delay my purchase because I have no assurance that I will be able to buy them lower and I do not know when a wider appreciation of what is going on will bring an advancing market."

While this comment is reminiscent of the American new-eraism of 1928 and 1929, it is indicative of the economic recovery which has occurred in Britain. The financial effect of British recovery is favorable to Canadian investments.

Alberta Creameries

Alberta creameries made some outstanding wins at the recent Calgary Exhibition In the first prize group six of the ten placed were Alberta exhibits. In the second prize group, of the 31 placed, 20 were from Alberta, while in the third class group Alberta had four of the 13 placed.

Metal Prices

New York—July 30—
Copper: Electrolytic spot and future, 8c.
Silver: 67¾c.

London—July 30—
(Long Ton)—
Copper: Electrolytic spot, £34 10s; future, £35. Standard spot, £31 7s 6d; future, £31 15s.
Tin: Spot, £233 17s 6d; future, £219 5s.
Lead: Spot, £15 2s 6d; future, £15 2s 6d.
Zinc: Spot, £14 5s; future, £14 2s 6d.
Gold: 140s 5d.
Silver 30 1/16d. per ounce.

Canada—July 30—
Gold: $34.85.

NOTICE TO HOLDERS OF

Essex Border Utilities Commission Debentures

Holders of a substantial amount of debentures of Essex Border Utilities Commission have requested the undersigned to act as a Committee for the purpose of safeguarding their interest as debenture holders. The Committee have issued a circular to all known debenture holders reviewing the circumstances leading up to the default of debenture payment and requesting debenture holders to deposit their debentures. The Committee is of the opinion that the appointment of a fiscal agent to draw up a plan of refunding makes it imperative that debenture holders immediately place themselves in a position where united action can be taken on their behalf, by depositing debentures with the depositary at any of its offices.

Copies of the Committee's circular and form for depositing debentures can be obtained by communicating with the depositary. The Trusts and Guarantee Company, Limited, at any of its offices, particularly:

302 Bay Street, Toronto
144 Dalhousie Street, Brantford
Cor. London and Pelissier Streets, Windsor
or with
Crown Trust Company, 393 St. James St., Montreal, Quebec
or with
the Secretary of the Committee.

DATED this first day of August, A.D., 1935.

Secretary to the Committee:
R. A. PERIGOE,
20 Victoria St.,
Toronto, Ontario.

H. SIDER, Toronto
J. F. BOLAND, K.C., Toronto
THOMAS McQUILLAN, Toronto
L. G. MILLS, Toronto
H. T. ROESLER, Toronto.

BRITAIN AIDS CAN. FINANCE BY INVESTING

(Continued from page 1)

example, discourages British buying of Canadian investments.

First Revelation

Revelation of the exact extent of transactions across international boundaries is made for the first time in Canada by a new report of the Dominion Bureau of Statistics. The Bureau has been working on the data for several years. Figures for purchases and sales of Canadian securities on an international scale are compiled from records furnished by the Canadian Bankers' Association, Investment Dealers' Association and by stock exchanges. In the new report, the Bureau furnishes monthly totals of purchases and sales by British, American and other outside investors from January, 1933, to the end of May, 1935. Further figures will be forthcoming as and when available.

It should be noted that Britain gave us a boost in midsummer, 1933, with a loan of £15 millions to the Dominion government. In addition, there was a loan of another £10 millions financed in London for the government in 1934. These lump sums do not enter into the record of open market transactions issued by the Bureau this week.

Large Payments

Because of the large volume of money involved, purchases and sales of Canadian securities from abroad mean an important item of the Dominion's international balance of payments. The securities dealings have a profound effect on foreign exchange rates in Canada.

There is a continuous movement over the border and across the seas of securities purchased or sold for investment or speculative purposes, for sinking funds or retirements, and so forth. In these multitudinous transactions, Canadians may be selling abroad the securities of Canadian governments and corporations. Or they may be reselling British and foreign securities owned in Canada. On the other hand, they may be repurchasing from abroad Canadian securities held in other countries. Or they may be purchasing the government or corporation securities of other countries. In recent years the business has consisted almost entirely in old securities as distinct from new issues.

Summary of Movements

A summary of purchases and sales of Canadian securities by British and American investors shows the following net changes in the 2½ years:

First half, 1933: Americans were buyers, indicative of a flight from the U.S. dollar. British investors shunned Canadian securities largely because there was a heavy discount against sterling.

Second half, 1933: With the rise of sterling to $5, Britons became big buyers of Canadian securities. Americans became sellers, realizing profits derived from the fall of the U.S. dollar.

Throughout 1934, Americans were intermittent sellers of Canadian securities, cashing profits resulting from the elevation of the Canadian dollar to 100 cents in the United States. Britishers last year were consistent buyers of Canadian securities. This was because the pound bought $5 and because interest rates were attractive in Canada.

British Recent Sellers

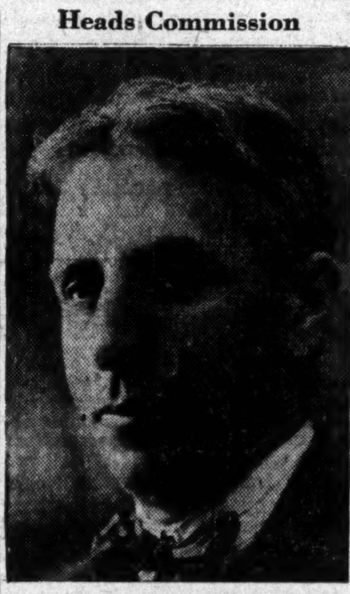
In 1935 British investors have been sellers in Canada, due largely, it is believed, to the McGeer agitation for an interest reduction in Vancouver and to the Ontario Hydro contract cancellation threat. American faith has returned strongly, more than offsetting British sales of our securities.

Over the 1933-35 period, British and American sales of Canadian securities have counterbalanced remarkably well. This is illustrated in the accompanying chart. In only four months of the 2½ years have sales of Canadian securities heavily outweighed purchases from abroad. And in only eight months in the 29 have there been net sales balances from abroad.

Log Production

Logging camps in British Columbia turned out 1,081,413,000 feet of saw logs in the first six months of this year, an increase of close to 200,000,000 feet over the corresponding period of 1934.

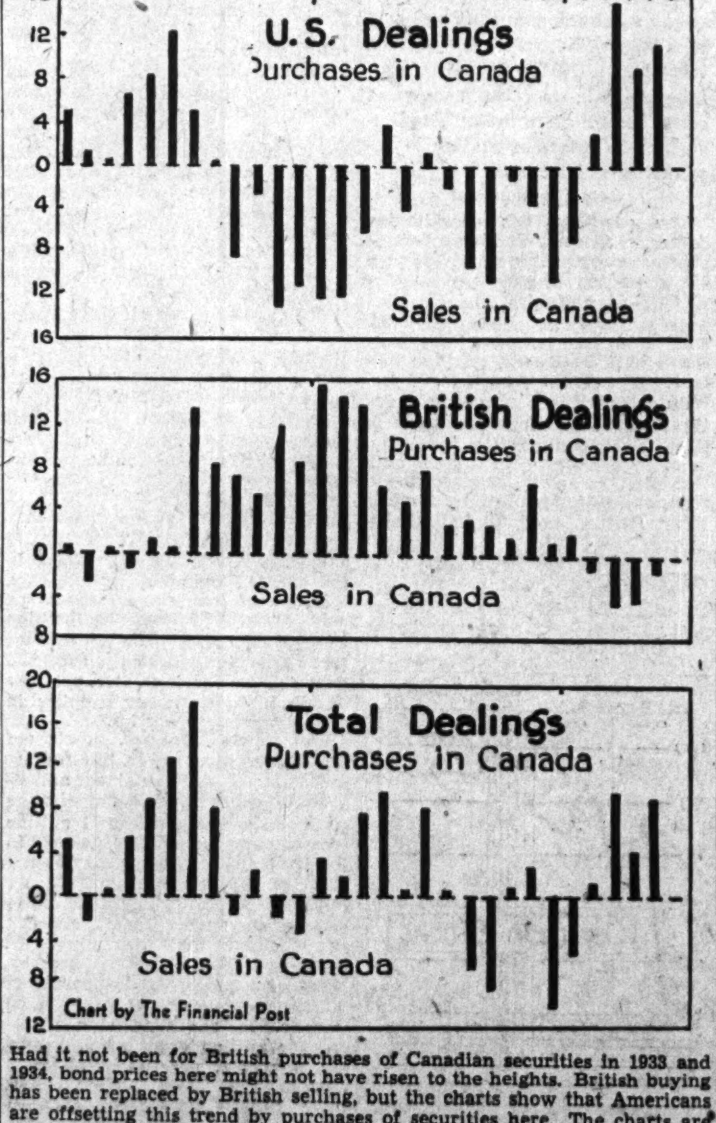
Heads Commission



HON. G. S. HARRINGTON

Chairman of the recently appointed federal Employment and Social Insurance Commission.

British Bond-buying Helps



Had it not been for British purchases of Canadian securities in 1933 and 1934, bond prices here might not have risen to the heights. British buying has been replaced by British selling, but the charts show that Americans are offsetting this trend by purchases of securities here. The charts are based on calculations made by The Financial Post from an initial report on international dealings in Canadian securities by the Dominion Bureau of Statistics.

Walkerville Bondholders Urged to Deposit Bonds

Stating that the report of the Royal Commission recommending merger of Walkerville into Windsor was "not reassuring" to Walkerville debenture holders, a circular addressed to the town's creditors urges deposit of bonds with a committee formed by large investors.

The committee states that it is of the opinion that Walkerville debenture holders should immediately place themselves in a postion where united action can be taken on their behalf. Deposits of bonds with the committee to this end may be made at branches of The Canadian Bank of Commerce.

J. H. Luxton, Waterloo, Ont., is chairman of the committee. Other members are: W. H. Isaacs and E. F. Ladore, Walkerville; A. F. D. Lace and L. A. Winter, Toronto. All are personal holders or representatives of important private and institutional holders of Walkerville debentures.

Commission Ready For Work On Unemployment Insurance

From Our Own Correspondent

OTTAWA.—The Employment and Social Insurance Commission, appointed July 21, is now constituted. Hon. G. S. Harrington, chairman, has taken residence at Ottawa and quarters for the new body are being found. Tom Moore, president of the Trades and Labor Congress, who is Labor's representative on the commission, resigned this week from that body and forthwith will devote all of his time to his new responsibilities. N. R. Beaudet, of Montreal, has severed his connection with private business and as the representative of the employers is now giving his entire time to the work of the commission.

Tom Moore

Meetings of the new body were held almost daily this week and preparations for the hiring of staff are being pushed forward rapidly. This task, incidentally, devolves upon the Civil Service Commission.

Inquiries among the commissioners reveal that they hope to launch the unemployment insurance scheme within a few months, if possible before the snow flies. A tremendous amount of organization work must be done before actual operations can begin.

Obituary

Charles Ward Brown, prominent western fire insurance man died in Winnipeg recently in his 60th year.

Maurice Frankel, chairman of the board of Frankel Bros., Toronto, and one of the founders of National Metal Co., died recently at Port Sandfield, Muskoka, Ont.

James Baillie died last week in Montreal. Mr. Baillie was a well-known figure in Montreal real estate circles and the first mayor of the town of Hampstead.

James H. Kenyon died in Montreal on July 24. He was the superintendent of the Steel Company of Canada.

WOULD ALLOW CANADA TWO MILLION TON QUOTA U.S. NEWSPRINT IMPORTS

(Continued from page 1)

purchasing U. S. newsprint and pulpwood from foreign sources, the report says:

"Canada is one of our greatest export customers; restoration of Canadian-American trade to former levels might prove a great contribution to the welfare of both countries.

"It will be seen that in 1933 Canada's imports from all countries were only 27 per cent of what they were in 1929, and that her purchases from the United States declined relatively more than those made elsewhere, accounting for only 54 per cent of the total in 1933 as compared to 68 per cent in 1929. Agricultural products, automobiles, machinery, coal and petroleum are important items in Canadian imports from this country.

"Exports from Canada to all countries declined less than her imports during the depression (the 1933 figures being 40 per cent of 1929) but here again, the share taken by the United States, (32 per cent in 1933) was more severely restricted than the portion shipped elsewhere. It is significant that exports of pulp and paper which constituted 46 per cent of the total Canadian exports to the United States in 1933 held up better than other products. Canada's ability to finance purchases in this country is evidently in a large and increasing degree dependent upon her pulp and paper trade.

Fear Empire Trade

"On the other hand, it is possible that due to propinquity, Canada might continue to obtain much of her needed imports of agricultural products from the United States whether or not this country curtailed its importation of Canadian pulp and paper. But loss of American markets for pulp and paper might encourage Canada to turn more to the British Empire countries rather than to the United States for her imports.

"In 1929 Canada took 9 per cent and in 1933 about 6 per cent of the agricultural exports of the United States but through multi-lateral relations, Canada's trade with us may be of greater significance to our agriculture than indicated by the amount we sell direct to her."

Though the report very evidently makes a strong effort to maintain a fair balance between the advantages of self-contained newsprint supply and the loss of foreign trade, its general tone indubitably leans toward the development of an American permanent wood pulp supply, limited for the present to the northwest Pacific states and the southern states for special economic reasons.

The report covers all possible pulp wood producing sections of the United States in the most detailed manner with elaborate statistics and charts to support the statement that the forest of the country "could supply present pulp and paper requirements and this could be done with pulp and paper processes now in commercial use." But it also emphasizes that "permanence could only be assured by sound forestry practices on both private and public forest lands."

This is the real crux of any U. S. programme of pulp wood development. Under the century past practice of deforestation with no reserves set up for reforestation, the authors of the report recognize that the country would be denuded in another half century. But the difficulty is the U. S. timber companies are capitalized on the basis of quick liquidation of assets, stripping the timber and letting the land go. Several states, notably Oregon, in recent years have attempted to cope with this problem of logged off lands by remission of taxes to companies making provisions for reforestation. The U. S. forestry department says, however, that the results of this policy to date have been negligible. The reason is that a complete capital reorganization of all the timber companies engaged in such production would have to be achieved to set up an effective policy of reforestation to assure permanence of pulpwood output. This is rather lightly touched on by the report in emphasizing the necessity for "reorganization of the industry."

Tariff Unlikely

However, there has been steadily increasing pressure over the last three years for the imposition of a tariff on imported newsprint and pulpwood. Regularly every session bills have been introduced to impose such a tariff and as regularly pigeon-holed. The pressure is increasing, notably in the southern states where the State of Georgia has been conducting a lengthy series of experiments in the use of cheap southern slash pine for newsprint. The Georgia state laboratory claims to have achieved striking success, and a number of Georgia and New York capitalists have been striving, unsuccessfully to date, to obtain a loan from the federal Reconstruction Finance Corporation to construct a big mill. The federal financial authorities, however, are still unconvinced that the experiments demonstrate commercial success.

In its final conclusions, the report handed to the Senate says:

"The wise course for national policy seems to be:

"To go ahead with a forestry programme which would restore and maintain the productivity of the timber lands of the United States so as to place us in position to meet future requirements as may become necessary or desirable.

Full Market Remains

"To give every public countenance and encouragement short of subsidy, tariffs, or other direct aid, to the development of the American pulp and paper industry, and

"To place no obstacles in the way of the replacement of existing imports by the domestic industry in open competition."

The last two paragraphs give the state department a complete "out" so far as forcing its hand to impose any duty or quota on Canadian newsprint and pulpwood in the pending trade agreement. Authoritative sources of information are to the effect that there will be no change in the present situation of a free market in the U. S. for these products. But in any general tariff revision in the future, the report is bound to lend support to increasing pressure for development of an American supply.

The Liberal Platform

Counting on Certain Victory King Chary of Promises—Opposes C. N. R. Interference—Old Guard Will Form Bulk of Cabinet

From Our Own Correspondent

OTTAWA.—Entering the contest a heavy favorite, it is apparent that Rt. Hon. W. L. Mackenzie King, Liberal leader, will eschew promises which he regards as difficult if not impossible of fulfillment. He will rely chiefly upon his record as prime minister from 1921-30. Throughout his campaign there will be thrown out the clear cut impression that if the Liberal party is elected a return to business conditions of the 20's may be expected.

The first of the Liberal leader's radio broadcasts is notable in that it fails to achieve the hoped-for effect of clarifying the issues.

Railways, National Government

Mr. King comes out against any interference with the publicly owned railway system—although he is careful not to commit his party against amalgamation by purchase of the C.P.R.

He pronounces against all compulsory legislation in the field of trade; against Fascism, Hitlerism, and other forms of dictatorships among which he classes the present movement for national government.

He eulogizes the parliamentary system promising to test all proposed legislation by its ability to be enacted and enforced in this way.

He speaks in sharpest criticism of third parties stressing their ineffectiveness and the danger of bringing about a balance of power set-up in the new Parliament. He condemns national truculence and policies of blasting in the same breath that he praises peace and friendliness to all.

Tariff Changes

Later broadcasts, it is believed, will be more definite in declaring Liberal policies to meet depression problems. The second speech, it is learned, will be devoted to tariff. It is expected that he will argue strongly against the Canada First system and in favor of moderate protection along the lines of the Dunning budget.

Unemployment

The final broadcast will be devoted to a discussion of the unemployment problem and here Mr. King will argue for a national commission to handle all expenditures and to correlate all governmental efforts.

Follow Australian Plan

Interspersed in the last broadcasts will be declarations calling for the conversion of provincial and Dominion debt under some form of a loans council, following the Australian model.

Health insurance as well as unemployment insurance will be advocated.

A balanced budget is to be brought about by an increase in foreign and domestic trade. The clue to this increase, of course, is found in the policy of tariff reductions.

Destruction of industrial monopolies, rather than their regulation will be stressed.

Social Reform

Not only is Mr. King believed certain to decline to make glowing promises with respect to the re-employment of the scores of thousands now workless, but he is likely to state that, in his view, this will take considerable time. And as for social reform, his views, it is learned, are that these must be delayed until the financial position of the treasury enables them to be carried out.

Old Guard Control

Probably because the Liberal party enters the campaign most confident of a sweeping victory, there is little stress on the infusion of young blood. Indeed, it is clearly a case of the "Old Guard" retaining command and it is possible to forecast with assurance the greater number of those who will comprise a future Liberal administration. All of them are lieutenants in the present contest.

Who's Who Liberals

With the Liberals conceded the big favorites in the coming federal contest the average man is beginning to speculate on the backing and policies of that party. Who would make up the cabinet? Would there be much new blood? Would tariff changes follow the return of the Liberals to power at Ottawa?

In his first radio speech this week Mr. King has touched the highlights, but only the highlights in rather vague terms. Mr. King, it is generally understood, is not given to boiling down important addresses to the 30-minute periods purchased from the Radio Commission. In order to fill the gaps and also to give its readers something more definite on the cabinet material behind Mr. King, The Financial Post asked its special Ottawa correspondent for the real story. Here it is.

Cabinet Timber

In Nova Scotia there are Premier Angus Macdonald and J. L. Ilsley member for Hants Kings. The latter is conceded to have the inside track at the present time.

In New Brunswick J. E. Michaud, member for Restigouche-Madawaska undoubtedly will be the cabinet representative.

Quebec Leaders

In Quebec Hon. Ernest Lapointe former Minister of Justice still ranks as Mr. King's senior lieutenant. Hon. P. J. A. Cardin, member for Richelieu undoubtedly will return to his former portfolio of marine. With the exception of these two, it is an open field in the Ancient Province and forecasts will not be possible until the election is over. Right now, C. G Power, of Quebec South, is regarded as a likely candidate for the solicitor generalship.

In Ontario, Hon. W. D. Euler, member of North Waterloo heads the list. He will undoubtedly be given a major portfolio in any new Liberal ministry. In the last King government he had the revenue department. With him will be Hon. J. C. Elliott of Middlesex West former minister of public works. Both are very definitely of the Liberal Old Guard.

Ontario Possibilities

If Premier "Mitch" Hepburn cares to enter the federal field he would be certain of a portfolio for the asking, but this is extremely unlikely.

Two young Ontario men are now marked down for political preferment. They are Prof. Norman Rogers, of Queen's University, now running in Kingston and Ross Gray, member for Lambton West. They would receive junior portfolios.

Apart from these, half a dozen names are being mentioned but the ultimate fate of these prospective political captains must await the day when a cabinet is being formed.

Prairie Figures

Crossing the lakes, there is no mention of anyone but Hon. T. A. Crerar in Manitoba, who headed the agricultural department in the wartime Union government. The Saskatchewan situation is difficult to analyze inasmuch as Hon. W. R. Motherwell former Minister of Agriculture, is now regarded as out of the running for a portfolio and yet holds the seat which would be needed to bring Premier J. G. Gardiner into the Federal department of Agriculture. The two men are known to be close personal friends and doubtless this difficulty will be arranged.

Hon. Charles Stewart former Minister of Interior who is an ancient in things political will be the minister from Alberta and Hon. Ian Mackenzie from British Columbia.

Outside of the cabinet, there will be two important diplomatic posts to be filled. The high commissionership at London will go to Hon. Vincent Massey, president of the National Liberal Association. The post at Washington is most likely to fall to one of the Southam publishing family—probably H. S. Southam of Ottawa.

One potent personality in the Liberal camp is not mentioned in this line up—Hon. C. A. Dunning former Minister of Railways and later Finance. The difficulty of horoscoping the Dunning future arises chiefly out of the fact that business interests prevent him from entering the campaign as a candidate. There have been persistent rumors at Ottawa, not yet confirmed, that he will speak on behalf of Mr. King in a national radio hook-up toward the end of the campaign. There is, also, much evidence to support the view that he would be most welcome to his old portfolio of Finance, provided he can obtain a release from business commitments. The decision, it would appear, is largely one which he must make for himself and there are not likely to be any developments until the ballots have been counted.

H. C. Scholfield

Page-Hersey's New President Has Long Been Connected With Big Pipe Company — Diversified Interests

Last week Hon. Henry Chadwick Scholfield was elected president of Page Hersey Tubes Ltd. A former vice-president, he was elevated to the highest office in succession to the late W. W. Near.

Though Mr. Scholfield has not been with the present company or its predecessors from the outset he has had a most intimate connection with it almost from the beginning of this century. When he was manager of the Guelph branch of the Dominion Bank in 1903 he was partly instrumental in bringing Page Hersey Iron & Tube Co. to Guelph with the late W. W. Near in charge.

The company commenced operations on May 14, 1903, with a mill of 30,000 tons yearly capacity, making butt welded steel pipes up to 3-inches diameter.

Turnover $9 Million

At the time it started the business was supposed to be one of about

H. C. SCHOLFIELD

$300,000 a year. Since then its annual gross has in good years gone as high as $9 million but nevertheless back in 1903 $300,000 turnover was regarded as large in Canada.

To secure such a concern Guelph made concessions. It made a small loan to the company which was soon paid off and it gave some relief in the matter of taxes.

The company in its turn was expected to employ all the Guelph labor it could. In the outcome it doubled and quadrupled the expected business and was a shining exception to the melancholy fate that has overtaken many municipal-aided enterprises in that the arrangement with Guelph proved profitable and satisfactory to the community. Even though the company found it advisable later on to establish its principal plant at Welland, Ontario it has always maintained and valued its Guelph connection.

Went to Welland

The company changed its name in 1906 to Page Hersey Iron Tube & Lead Co. In 1907 Mr. Scholfield changed his relations to the company from that of banker to that of officer. He left the bank.

A few years later the company established itself at Welland because for such a heavy product it was important to manufacture in a port as water-borne freight costs less than transport. In 1910 the company erected a 40,000 ton plant to make lap-welded pipes 4 to 10 inches in diameter. In 1911 another plant of 25,000 tons yearly capacity was added to make butt-welded pipes of one-quarter inch to 3 inches in diameter. In 1920 the company bought Cohoes Rolling Mill Co. which since 1854 has been making wrought iron skelp and wrought iron pipe at Cohoes, N.Y.

Incidentally the Cohoes Rolling Mill Co. is of special interest to investors in stock of Page Hersey Tubes, Ltd. at the moment because during the last ten years it has been managed by the man who is from now on to be general manager of Page Hersey Tubes. A. Macfadyen was born in Toronto and his work and experience in manufacturing pipe and conduits at Cohoes, N.Y., have brought him back.

Mr. Scholfield is also a director of National Tube Co., a vice-president of Federal Fire Insurance Co. of Canada, a director of Canadian Canners, Economic Investment Trust, Dominion Scottish Investment, and Wellington Fire Insurance Co. and of the Homewood Sanitarium.

Wide Experience

Mr. Scholfield has had a very wide and diverse business experience. After being educated at the Model School, Toronto, he had experience for some years first as dry goods salesman and then as banker and finally bank manager for Dominion Bank at Guelph branch. He ran for the Ontario Legislature five times and was elected three times and he was appointed minister without portfolio in the Henry administration in December, 1930.

President Humane Society

The new president has decided philanthropic leanings. His sympathies are deeply enlisted on behalf of ill-treated animals, sick children and under-privileged boys. The range of his official activities outside of business is wide. He is president of Toronto Humane Society, vice-president of Homewood Sanitarium, trustee Sick Children's Hospital, chairman of the board Bowmanville Boys' Training School and a member of the Lacrosse Association. He is an ex-president of the Guelph Board of Trade, an ex-president of the Fat Stock Club and an ex-president of the Dominion Bowling Association. He is president of four clubs and two societies. Bowling and fishing are his recreations.

He will be 69 years old on September 19 and can be found nearly every working day at the head office of Page Hersey Tubes, Toronto. And, it is said, he will be found working.

PAGE-HERSEY 1935 VOLUME REPORTED UP

(Continued from page 1)

out approaches about 20 per cent of the total business.

"We do not want the export business to be more than that proportion," said Hon. H. C. Scholfield, the newly elected president of Page-Hersey Tubes, to a Financial Post representative who asked him about the company's export policy. "My reason for saying that is that the Canadian business is the bread and butter of Page-Hersey. Our company does not hope to make large profits out of the export business. I know at any rate that we are satisfied if we are able to get prices for export business that permit us to cut down our overhead in Canada and to show a little profit. That helps us shave our prices in Canada as well.

Works Night and Day

"One reason for the continuing success of Page-Hersey Tubes is that we have done all that was humanly possible to cut down overhead expenses. That is best for customers, for workers and for the continued development of the company. For that reason we are engaged in night and day operations at Welland as well as in some other plants. Even in the worst days of the depression it was our effort to keep whatever plant was open engaged to the utmost. We have kept the plant modernized and thoroughly up-to-date for the same reason."

U.S. Plant

While much smaller than the Canadian, the American business of the company through its subsidiary Cohoes Rolling Mills, at Cohoes, N.Y., is important. The plant employs nearly 800 men. It has widened its market considerably by the manufacture of flexible conduit which carries electric wiring. This is extensively used in all industrial plants, cellars, barns, etc., where open wiring would be unsafe.

Ontario Liquor Board Profits Up, Sales Down

E. G. Odette, Ontario Liquor Commissioner, reports profits of some $1,756,000 in April, May and June. This is an increase of about $500,000, or 47.7 per cent over the same months of 1934.

Sales at Ontario liquor stores were down nearly $300,000 in the three months, but expenses were reduced 21 per cent, more than offsetting the reduced volume. Since provincial stores sell chiefly spirits, these changes in the figures are interpreted to indicate that freer sale of beer in Ontario is having the effect of reducing sales of spirits.

B. C. Tariff Plight

Lone Brain Truster Argues Province Must Sell Cheap Abroad and Buy High in East

From Our Own Correspondent

VANCOUVER. — Although the economic council, or "brain trust," established during the early days of the Pattullo régime in British Columbia has virtually disintegrated, Dr W. A. Carrothers, the chairman, has issued another report. This supports the earlier contention that British Columbia is suffering from Canada's tariff policy.

Resignations, lack of harmony and monopoly of activity by one or two members is blamed for the commission's distintegration.

Sell Cheap-Buy High

British Columbia's difficulty, states Dr. Carrothers, lies in the fact that she must buy in the expensive, tariff-protected market while she must sell in the cheapest overseas market. This selling is done in competition with countries such as Japan and Russia, where costs of production are, it is agreed, much less than here.

Taking 1926 as a normal year for purposes of comparison, Dr. Carrothers assumed that British Columbia got the same prices for its goods as it paid for eastern Canadian goods. The 1926 price level for a list of 21 leading commodities was thus accepted as a normal one. By studying price fluctuations Dr. Carrothers set out to find whether British Columbia was gaining or losing as compared with the condition in 1926.

Trade Position Slips

Dr. Carrothers' figures show that from 1926 on British Columbia's trading position, judged by this yardstick, declined with only slight interruptions. Thus in 1927 it slipped 7 per cent, compared to the normal of 1926; in 1928, 9 per cent; in 1929 3 per cent; in 1930 12 per cent; in 1931, 22 per cent; in 1932, 32 per cent; in 1933, 29 per cent; in 1934, 22 per cent.

Economic activity in general in B. C. followed almost exactly the fluctuation of the price factor, according to this report. British Columbia business slumped in accordance with the decline in world market prices without compensating reduction in the cost of eastern goods

Thus, taking 1926 as a year of 100 per cent economic activity in British Columbia and Eastern Canada, British Columbia slipped to 88 per cent in 1927, as compared with the East. In 1928 British Columbia's rate of activity rose to 89 per cent; in 1929 it was 93 per cent; in 1930, 93 per cent; in 1931, 89 per cent; in 1932, 94 per cent; in 1933, 86 per cent; in 1934, 84 per cent

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The 1936 Lafayette

Above is pictured a new 1936 model of the Nash-built Lafayette. This four-door sedan seats six passengers, combining graceful lines with roomy comfort. One of the features is the built-in luggage compartment in which is a new arrangement for carrying the spare tire.

CANADA SPENT $67 MILLIONS ON '35 CARS

Retail Sales in First Six Months Gain 28 Per Cent

AVERAGE PRICE $990

Canadians spent $67 millions for motor cars and trucks in the first half of 1935. This is $15 millions more than in the same period last year, or a gain of 28 per cent. Sales in 1933 were but $28.5 millions.

Of the total, $65 millions went for passenger cars and $11 millions for trucks. Values of passenger car sales were higher by about 24 per cent while truck sales soared 58 per cent compared with a year ago.

Ontario was the best market for both passenger cars and truck sales. That province took 54 per cent of total Canadian sales in the first six months of the year—an exactly similar proportion to 1934. It was also the market for 44 per cent of total truck sales in the Dominion.

Western Sales Soar

The most substantial improvement took place in Western Canada. In two provinces truck sales, for example, were more than double the total in the same period a year ago. Each province recorded at least an improvement of one-third in sales.

Lower Average Price

Lower selling prices and perhaps a trend toward less expensive cars is seen in the figures. Thus for the first six months of 1935 there were 56,733 passenger cars sold in Canada having an average selling price at retail of $990. The corresponding figure for the 44,100 cars sold in the six months of 1934 was $1,028. A similar trend is shown in truck and bus sales. Thus the 11,004 trucks and buses sold in the first half of 1935 had an average retail value of $995 compared with $1,025 in 1934.

Detailed figures of the distribution of this buying as between the various provinces, for both passenger cars and trucks, follow:

Passenger Car Sales Jan.-June, 1935*

		Per Cent of Gain over 1934	Per Cent of Dom. Total
	$	%	%
Maritimes	3,852,423	1.4	6.9
Quebec	10,022,164	21.7	17.8
Ontario	30,412,394	23.9	54.1
Manitoba	2,923,719	37.5	5.2
Sask.	1,957,286	44.0	3.5
Alb.	3,526,372	31.6	6.3
B. C.	3,486,502	34.3	6.2
	56,180,860	23.9	100.0

Truck & Bus Sales, Jan.-June, 1935

		Per Cent of Gain over 1934	Per Cent of Dom. Total
	$	%	%
Maritimes	1,114,773	46.5	10.2
Quebec	2,116,512	49.4	19.3
Ontario	4,832,268	52.8	44.1
Manitoba	732,572	114.2	6.7
Sask.	296,239	111.6	2.7
Alb.	817,175	73.5	7.5
B. C.	1,038,696	62.5	9.5
	10,948,235	57.9	100.0

*D. B. S. figures.

OTTAWA SLASHES CURRENCY DUMP, YEN CUT 40 P.C.

Change Too Small, Say Japs — Scandinavian Money Also Affected

From Our Own Correspondent

OTTAWA.—A substantial cut in the currency dump duties imposed on imports from five countries has been approved by the Bennett government. The countries concerned are: Japan, Denmark, Finland, Norway and Sweden.

In the case of Japan the reduction amounts to approximately 40 per cent, but comment in circles close to the Japanese legation indicates that this is still too small to bring any modification in Nippon's new 50 per cent surtax.

Follows Statement

The change in the currency dumps follows hard on the statement made to Parliament in the dying days of the session by Premier R. B. Bennett that the time had come to reconsider these special tariffs. He pointed out that countries with depreciated currencies had found that rising price levels, within their boundaries, had tended to offset any advantages they might hope to gain by reason of depreciation.

Big Change

In the case of Japan, the par value of the yen is 49.85 cents. It has been depreciated until the current price is 29.19 cents. The old currency dump was the difference between the two, or 20.66 cents. The government has now written down the par value of the yen to 41.51 cents so that the dump is decreased to 12.32 cents.

Changes are as follows:

	Old par	Current price	Old currency dump	New currency dump
	$	$	$	$
Japan (yen)	.498	.291	.206	.123
Denmark*	.268	.221	.046	.009
Sweden*	.268	.256	.011	.002
Finland (mark)	.025	.021	.003	.001
Norway*	.268	.249	.018	.009

*(Krone).

Stewart is New President Stan. Paving & Con. Sand

J. F. M. Stewart was elected president of both Standard Paving and Materials Ltd. and Consolidated Sand and Gravel at the annual meetings of the two companies last week. He succeeds the late John E. Russell. Mr. Stewart has been vice-president of the two companies since their organization.

J. F. M. Stewart

Gordon C. Edwards, of Ottawa, was elected vice-president of both companies.

In reviewing work on hand and in prospect, C. G. Robinson, general manager, stated that in general operations of the two companies were gradually improving.

Brazil's Coffee Burning May Soon Be Abandoned

Though findings of Brazil Coffee Producers Convention at Rio de Janeiro were not very clear, it apparently favored a partial abandonment of Brazil's coffee destruction programme. This is thought likely to lead to lower market prices. If these stimulate demand that may not be regarded in the end as a bad thing by the coffee grower.

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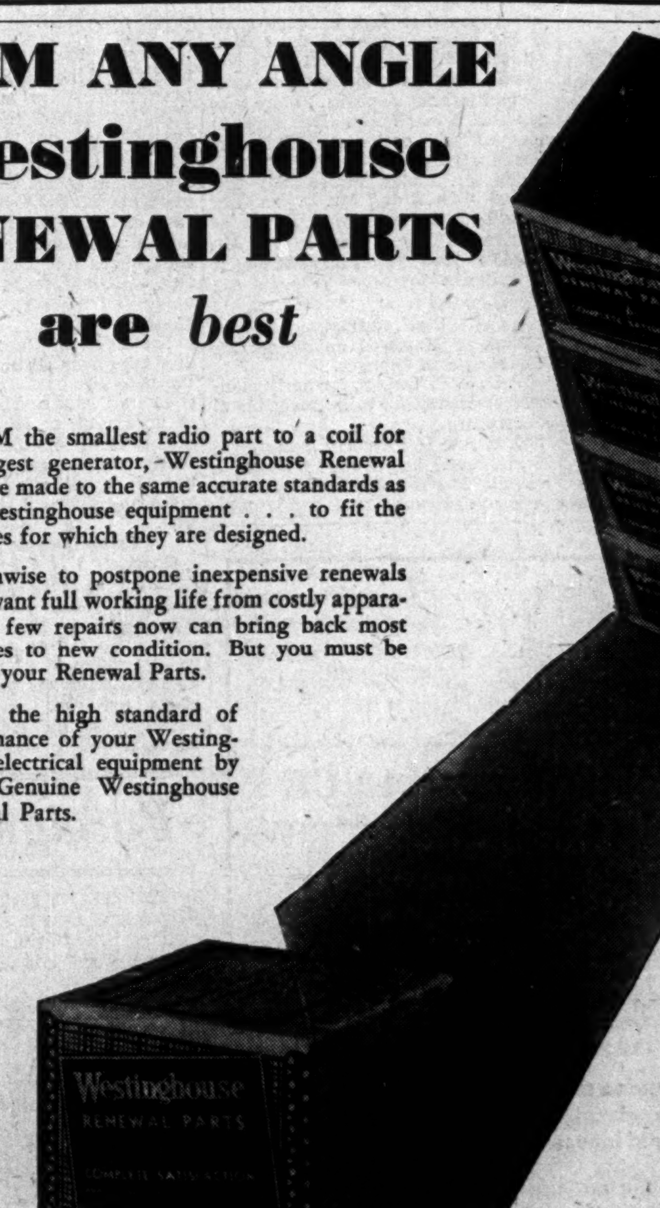

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Bank Chat

Midget Money

IT WOULD seem Americans are going to have more money. At a time when everyone is complaining of the lack of it, it was announced that Congress will be asked for authority to mint and issue additional currency. The catch is that the contemplated issue will consist in one-half cent and one-tenth cent coins. The new coins, if issued, would be smaller than the present penny. The half-cent pieces would be made of copper; the mill piece of aluminum alloy. The purpose back of the proposal is to help in the collection of sales taxes, many of which are expressed in percentages of sales volume.

* * *

Money Politics

IT IS difficult to recall a time when "money cranks" have been so prominent in Canadian politics. The depression has brought any number of such reformers, each of whom considers that adoption of his particular scheme is essential to recovery. One of these, in a typical letter, urges "wide dissemination" of his views "for the sake of suffering humanity." The Aberhart social credit organization has become an important factor in the Alberta elections, and has promised to support Mr. Stevens's Reconstruction Party if the latter will adopt its social credit views. More recently the Douglas Social Credit Association has thrown its hat in the federal ring. The Hallatt system is also admonishing its supporters to lend assistance and votes to those who will sponsor a scheme of "scientific money."

* * *

Have a Holiday

BANKS in various countries evidently take holidays seriously. The familiar grandmother's funeral excuse of young Canadian ball fans appears as reasonable as some of the explanations of legitimate holidays, most of which have their roots far in the past. Among the many listed by the Guaranty Trust Co. of New York as being observed in August are Cocoanut Day in Bombay, India; Arbor Day in Swaziland; and others such as Gokul Ashtami Day in Bombay and Janmashtami Day in Calcutta, which to us are unintelligible. The majority of holidays are in celebration of discoveries, of victorious battles, or of religious feasts. Most of these are of considerable historical interest, as for instance the observation of the destruction of the temple in Palestine, and Confucius Day in Canton and Shanghai.

* * *

All Things Change

IN ITS last monthly review, in which it briefly covers 25 years of progress in currency and banking, the Midland Bank, London, illustrates how time changes our ideas with regard to money matters. Speaking of note issue it states: "English currency has attained the utmost simplicity: token paper, all from one source, for larger sums and token coin for smaller. The change has been accomplished without any loss of confidence whatsoever—no one is in the slightest degree worried by the fact that he no longer possesses the right to change his notes into gold coin, a quality which 25 years ago was regarded as an essential attribute of good paper money."

* * *

What Do You Do?

RECENTLY we encountered a banker friend who had been transferred from a busy city branch to a less active one in a middle-sized city. "My job," he said, 'consists chiefly of keeping social engagements. After being in Blankville for a couple of years, I begin to wonder what all these small town fellows do with their time." He referred to bank managers in small centres. We wonder what is the retort courteous of the small town banker.

* * *

Do Banks Control Trusts?

A statement in the League of Nations review of commercial banks to the effect that in Canada banks frequently control trust or loan companies calls to mind discussions on this topic before the committee on banking and commerce last year. It will be recalled that in spite of the sinister significance conveyed by the words "interlocking directorates," it could not be found that any of the larger banks actually controlled trust companies; although one at least owned a stock interest.

It was emphasized on the contrary, by some of the country's leading bankers, that certain of the trust companies with which they were supposed to be allied were active competitors for deposits. In this regard an interesting exchange occurred when S. H. Logan of the Canadian Bank of Commerce was being quizzed as to whether the relationship existing between his bank and the National Trust Company was more open than that between some of the other banks and trust companies. Mr. Logan stated: "The National Trust Company are open competitors for deposits. They take deposits. Now, Wilson (Royal Bank) does not take deposits, neither does Dodds (Bank of Montreal)." With which Mr. Dodds immediately disagreed, "Yes, I do." Mr. Logan then explained, "I mean the Royal or Montreal Trust Company." Mr. Dodds replied, "That has nothing to do with me."

* * *

Staff Changes

Bank of Montreal announces the following staff changes.

W. D. S. THOMAS, formerly manager at Hamilton, to be manager at Morrisburg.

H. E. PAUL, formerly manager at Morrisburg, has been granted a leave of absence, after which he will retire on pension.

BANK DEBITS UP 4.2 PER CENT OVER JUNE 1934

Decline from May Was 5.8 Per Cent in June

Cheques debited against individual bank accounts in Canada's 32 clearing house centres were 4.2 per cent higher in June than in the 1934 month according to the Dominion Bureau of Statistics. The June total was $2.7 billions against $2.6 billions in the 1934 month.

The Prairie Provinces alone showed a recession in debits from the figure for the 1934 month. The Maritimes had a gain of 23.5 per cent. Quebec and Ontario had gains of 2.5 and 8.8 per cent respectively. British Columbia had a 5.7 per cent increase and the prairies a 14.5 per cent decrease in bank debits.

Compared with May, after seasonal adjustment, June debits declined 5.8 per cent. May debits totalled $3.1 billions.

Six Months Comparison

Bank debits in the first half of 1935 were 1.5 per cent less than in the same period of 1934. The total was $15.2 billion against $15.4 billions in the first half of 1934. Gains of 5.5 per cent and 0.4 per cent were recorded in the Maritime Provinces and British Columbia, respectively. The other economic areas recorded declines in this connection.

The total for Montreal was down 3.1 per cent and the Quebec total declined 3.8 per cent. The drop in Ontario was limited to 0.8 per cent, Toronto being down 1.7 per cent. Except for Winnipeg and Brandon, the centres in the Prairie Provinces showed gains. The decline in Winnipeg was 3.4 per cent, while the total for the economic area was down 0.4 per cent.

Turnover of Deposits

Ratio of bank debits to bank deposits was 135 per cent in June against 137 per cent in the same month of last year. The increase in deposits was of greater proportions than that of debits.

Bank Debits to Individual Accounts

Clearing Centres:	June, 1935 $	June, 1934 $
Maritime Provinces—		
Halifax	26,198,178	21,651,682
Moncton	6,846,134	7,524,931
Saint John	17,599,557	13,445,952
Total—Maritimes	52,644,260	42,622,565
Quebec—		
Montreal	733,645,890	723,491,440
Quebec	66,599,729	55,688,881
Sherbrooke	5,954,373	7,209,906
Total—Quebec	806,199,992	786,390,227
Ontario—		
Brantford	8,590,851	7,448,559
Chatham	6,608,030	6,039,380
Fort William	4,794,291	4,618,117
Hamilton	52,627,024	47,221,114
Kingston	4,809,495	4,140,992
Kitchener	9,904,289	9,278,427
London	39,400,215	31,820,545
Ottawa	134,322,006	116,966,634
Peterborough	4,853,101	4,817,232
Sarnia	6,553,032	8,666,450
Sudbury	4,763,137	4,358,319
Toronto	962,847,772	851,278,417
Windsor	23,529,691	19,415,206
Total—Ontario	1,263,714,004	1,116,069,392
Prairie Provinces—		
Brandon	2,147,724	2,400,336
Calgary	48,609,220	46,824,618
Edmonton	34,643,873	29,777,880
Lethbridge	4,202,395	3,354,279
Medicine Hat	2,068,207	1,786,394
Moose Jaw	4,332,339	3,932,646
Prince Albert	2,293,940	1,894,173
Regina	33,683,252	29,867,665
Saskatoon	8,831,120	7,734,492
Winnipeg	310,479,202	400,274,210
Total—Prairies	451,291,272	527,846,693
British Columbia—		
N. Westminster	4,804,446	4,236,143
Vancouver	106,906,045	105,323,788
Victoria	24,750,960	19,636,743
Total—B. C.	136,461,451	129,196,674
Total for Canada	2,710,310,988	2,602,125,551

Paper and Gold

Questionable How Much More Currency Can Be Issued Without Causing Inflation in Canada

Somewhat paradoxically, changes in the amount of actual paper currency in circulation in Canada may not be of particularly inflationary significance.

Put another way, paper currency which is not in circulation, but which is held by banks is of greater monetary significance than the amount in the public's hands.

Information Sought

Numerous recent requests for information about the Canadian currency and gold reserves indicate that there is considerable confusion of thought about the money and currency system of this Dominion. A reader of The Financial Post recently requested answers to these questions:

1. How much currency has Canada now in circulation?
2. How much gold is held to support this currency?
3. In what ratio is the gold to currency now in circulation?
4. What is Canada's legal ratio of gold to currency in circulation?
5. How much additional currency can be issued before it can be termed "inflated currency?"

Involve Explanation

The answers involve an explanation of the monetary system now in use in Canada, rather than merely a set of five simple figures.

Currency circulation in Canada at May 31 was as follows:

Currency in Circulation (In Millions of Dollars)

	Bk. of Can. currency	Chartered bank notes	Total
Total outstand.	74.4	122.4	196.8
Held by banks	30.9	5.9	36.8
Held by public	43.5	116.5	160.0

This gives the answer to the first question. There is $160 million of currency in public circulation in Canada.

There is another $36.9 million of currency in the hands of banks. The $5.9 million of chartered bank currency held by other chartered banks is of minor importance. It merely represents day to day balances of uncleared notes. The $30.9 million of Bank of Canada currency held by chartered banks, however, is another matter. To deal with this important $30.9 million, it is first necessary to answer question 2.

Bank of Canada Reserve

The Bank of Canada holds all the gold reserves for Canadian currency. At the end of May, the gold holdings of the bank totalled $106.9 million. But the bank also held silver bullion and British and U. S. funds of $17.7 million. So it had a reserve against its quick liabilities totalling $124.6 million. All this is just as much a reserve against notes as if it were in gold. This answers question 2.

Question 3 is capable of at least two answers, both misleading or inapplicable. At May 31, the reserve of the Bank of Canada amounted to 77.9 per cent of all currency held by the public in Canada. It amounted to 63.3 per cent of all currency issued in Canada, whether held by banks or by the public. These answers are misleading. The Bank of Canada's reserve is not held against all notes in circulation in Canada. It is held as a reserve against the bank's own note circulation and against the funds it holds on deposit. Most of these deposits belong to the chartered banks. At May 31 they totalled $189.8 million.

Held Against Deposits

Since the note circulation of the Bank of Canada was $74.4 million and deposits $189.8 million, the total liabilities against which the reserve was held were $264.2 million. The proportion of the reserve to these liabilities was 47.17 per cent. This is probably the figure at which the reader is aiming in asking question 3.

It must be noted that the gold holdings of the Bank of Canada have been written up to $180.2 million. This has raised the reserve ratio from 47 to 66 per cent.

25 Per Cent Minimum Reserve

Question 4 can be answered only in relation to the Bank of Canada reserve ratio. The bank must maintain a minimum reserve of 25 per cent of its note and deposit liabilities. This, of course, does not involve the note circulation of the chartered banks.

The Bank of Canada will gradually take over all but 25 per cent of the note circulation privilege of the chartered banks. Thus, for purpose of argument, it could be said that the reserve of the central bank really applies against future liabilities which will arise as it takes over more and more of the note circulation.

Unanswerable Question

Question 5 is a knotty one. It is doubtful, in fact, whether it can be answered at all.

Now that the Bank of Canada has written up the value of its gold, it has a reserve of about $195 million. The minimum reserve it must hold is 25 per cent. In pure theory, therefore, its quick liabilities could be expanded to about $780 million, on the present reserve, without violating the legal reserve minimum. Including deposits, the quick liabilities of the Bank of Canada are about $212 million. Hence, theoretically, the bank could expand the note issue by $780—$212 million= $568 million.

In actual practice, the Bank of Canada could not and probably would not willingly, expand its note issue by any such amount. First, its reserve might be depleted. Second, chartered banks would be sure to increase their deposits, leaving less room for note issue expansion. Third, inflation would probably set in long before the central bank got its currency expanded so extravagantly. The precise amount by which the central bank's note issue could be expanded before bringing on an inflation could hardly be measured until tried and then it would perhaps be too late to bother.

Reserve and Inflation

It is noteworthy that the amount of the reserve does not necessarily prevent an inflation. That is, maintenance of a 25 per cent cover for currency and deposit liabilities of the central bank would not mean that there was no inflation. The measure of inflation is the level of prices, rather than the amount of gold in Ottawa vaults.

It would be possible to answer to question five that there is already some inflation in the currency issue in Canada, and so no additional currency could be issued without aggravating an inflationary policy.

Bank Cash Important

This brings up the important question of Bank of Canada notes held by the chartered banks. They take a place in the banks' affairs similar to deposits in the Bank of Canada. The banks rightly consider their deposits in the central bank as cash. And the Bank of Canada notes in their tills are also cash.

Expansion of the cash of the chartered banks tends to impel them to lend or to buy securities with the money. This leads to further expansion of the banks' cash, investments and deposits. The effect is inflationary.

From this it is evident that the banks' holdings of central bank notes and their deposits with the central bank are important not only as till money. The money is also a basis for inflationary credit expansion. In this respect authorities on banking consider the banks' cash more important than the cash held by the public.

Gold "Backing"

Another phase of the monetary system which modifies the effectiveness of gold reserves as a protection for note issues is that hundreds of millions of deposits in the chartered banks are subject to almost immediate withdrawal. It would be possible for note issues to expand greatly if the public were to start hoarding cash in the form of paper money. This would not be inflationary if the money were simply hoarded. It would have the effect, however, of reducing the gold reserve ratio.

In Canada, the currency circulation outside banks is varied in accordance with the amounts required to carry on the everyday business of the country. If even more currency is issued, it tends to go into the hands of banks and to become inflationary in expanding credit. If such a movement were to go far enough, it might drive the Canadian dollar down on foreign exchange markets. Then there would be a tendency to progressive inflation. By the time it all became evident, however, Canada's finances might approach a state of near-bankruptcy.

One of the most firmly-rooted half-truths in connection with Canadian money is that the gold holdings of the Bank of Canada secure the currency and guard against inflation. As long as Canadian notes cannot be exchanged for gold, the amount of metal held at Ottawa is not of prime importance. As long as we export only newly mined gold, there is no deliberate effort to sustain the Canadian dollar on foreign exchange markets. If the Bank of Canada bought 10 times as much gold as it has at present and were then to issue only the same amount of additional notes, it is probable that there would be a powerful inflation in Canada, yet the gold "coverage" for notes might be nearly 100 per cent.

Have $21,700 for Bonds Wood, Alexander & James

Offers of six per cent first mortgage bonds of Wood, Alexander & James, Hamilton hardware firm, for the sinking fund are being received by the National Trust Co., Hamilton, up to Aug. 9. The trust company has $21,700 of sinking fund money available for purchase of bonds.

Foreign Exchange Markets

TEMPORARY easing of the Dutch political situation has lifted pressure from the florin. Still, gold bloc currencies are left facing the alternatives of poverty with deflation or currency devaluation. They want neither, but must choose.

Sterling remains firm, having had unwanted support from the recent "runs" on gold currencies. The exchange fund is believed to have been supporting the gold bloc, the effect being to hold sterling down. Without the fund, sterling might have been at a higher level in the past few weeks. Confidence in U.S. currency appears to be returning. This may influence the dollar to strength, sterling toward softness.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	July 23	July 24	July 25	July 26	July 27	July 29
U. S. dollar, High	.5906	1.00⅛	1.00¼	1.00 3/16	1.00⅛	1.00⅛	1.00⅛
Low	.5906	1.00 1/16	1.00 1/32	1.00⅛	1.00 1/16	1.00 1/16	1.00 1/32
1934, High	.5906	.98⅝	.98 9/16	.98 9/16	.98½	.98 11/16	.98⅝
Low	.5906	.98 9/16	.98½	.98 7/16	.98 11/16	.98 11/16	.98 11/16
U. K. pound	4.8665	4.96¾	4.96	4.96⅝	4.96¾	4.97	4.96½
Argentina	.4246	.....	.2663	.2668	.2677	.2678	.....
Australia	4.8665	3.9680	3.9620	3.9670	3.9667	3.9690	3.9670
Austria	.1407	.1903¾	.1902	.1902	.1902	.1901¾	.1901¾
Belgium	.1392	.1691	.1698½	.1699½	.1699	.1699½	.1696½
Brazil	.1963	.0550½	.0550½	.0567¼	.0560¼	.0560½	.0560½
Czechoslovakia	.0296	.0416½	.0416¼	.0415¾	.0415	.0415½	.0415½
Denmark	.2680	.2219	.2217	.2220	.2220¾	.2222	.2219
France	.0392	.0662½	.0662	.0661¼	.0662	.0660½	.0661¾
Germany	.2382	.4033¾	.4029	.4028	.4035	.4030	.4038¾
Greece	.013	.0094⅝	.0094¼	.0094¾	.0094⅝	.0094½	.0094½
Holland	.4020	.6744	.6739	.6743	.6740½	.6738	.6786
Hungary	.1749	.2982¾	.2973¾	.2973¼	.2972	.2972¼	.2972¾
India	.3650	.3778	.3777	.3777	.3780½	.3780	.3777½
Italy	.0526	.0802¾	.0820¼	.0820½	.0819½	.0819¾	.0820
Japan	.4985	.2927¾	.2928	.2928¼	.2930¼	.2932¾	.2930¾
Jugoslavia	.1929	.0231	.0230	.0230	.0230½	.0230½	.0231
New Zealand	4.8665	4.0080	4.0020	4.0070	4.0067	4.0090	4.0070
Norway	.2680	.2496	.2493½	.2498	.2499	.2499	.2497
Poland	.1122	.1904	.1902	.1902	.1902	.1902	.1902
South Africa	4.8666	4.9450	4.9375	4.9370	4.9435	4.9463	4.9438
Spain	.1929	.1373	.1371½	.1372½	.1372	.1371	.1371¾
Sweden	.2680	.2562	.2560	.2563	.2564	.2564	.2562½
Switzerland	.1930	.3272	.3267	.3268	.3269¾	.3268	.3273
Hong Kong	.5422	.5300	.5302	.5301	.5270	.5270	.5220

DECIDE BANK SHOULD KNOW TRUST ABUSE

Judgment for $5,845 Given Against Dominion Bank

Judgment was recently given to Mrs. Bella B. Achison against the Dominion Bank for $5,845 in court at Winnipeg, in an action over the treatment of trust funds. An appeal may be made, especially since other similar cases may depend on the ultimate decision in this one. The Winnipeg ruling places onus on a bank for the misuse by a client of trust funds held in that client's account.

The Canadian Guaranty Trust Co.'s failure is the cause of the action. This company, of course, must not be confused with the Guaranty Trust Co. of Canada, Windsor and Toronto.

Up to June 1, 1931, the Canadian Guaranty Trust Co. had acted as administrator of the Atchison estate. Then the trust company was declared insolvent and ordered to be wound up. The Atchison estate had a credit of $7,508 with the trust company at the time of insolvency, but there were no funds in the trust company to meet it.

In 1921 the trust company had drawn two cheques for a total of $5,845 on the bank in which the estate had its funds. Then the trust firm had deposited the cheques in its own current account with The Dominion Bank, although at the time the estate was not indebted to the trust company in any way. The cheques had been made by the trust company as "executor of the will of William T. Atchison, deceased."

The court's finding was that the defunct trust company used trust moneys to make payments on its own private indebtedness, and that the bank knew or should have known that this was being done. For this reason the bank is held responsible for repayment of the moneys involved in the action.

Bank of Canada Weekly Statement

Changes in the Bank of Canada statement in the week ended July 24 are of no major significance.

Balance Sheet

Weeks Ending:	July 24 $	July 17 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	76,357,977	76,860,415
Dep.: Dominion	34,135,334	34,457,473
Banks	177,514,441	176,641,455
Other	992,627	658,996
Total deposits	212,642,401	211,757,923
Sundry liab.	1,986,000	2,982,000
All other liabs.	776,078	721,787
Total liabilities	296,762,455	297,322,126
Assets		
Reserve: Gold	179,992,554	180,043,485
Silver bullion	1,211,642	1,213,080
Res. in sterling	211,856	251,638
Res. in U. S.	13,904,565	13,698,430
Res. elsewhere	8,670	4,189
Total reserve	195,329,287	195,210,822
Subsidiary coin	335,727	324,978
Adv. to govt.	3,227,250	4,224,500
Investments:		
Dom. govt. short.	15,214,420	15,161,247
Other Dom. govt.	79,989,427	79,902,815
Total invest.	95,203,847	95,064,062
Premises	119,116	116,232
All other assets	2,547,228	2,381,532
Total assets	296,762,455	297,322,126
Reserve ratio	66.90%	66.60%

Weekly Bank Clearings

	July 25 1935 $	Change year ago %	July 18 1935 $
Halifax	2,115,122	+6.5	2,129,923
Saint John	1,635,348	—0.5	1,720,039
Moncton	773,332	+1.5	846,136
Sherbrooke	532,745	+6.5	597,353
Quebec	3,543,420	+1.1	4,796,950
Montreal	77,239,163	—1.0	86,879,290
Ottawa	17,116,493	+380.6	14,202,740
Petarborough	565,252	+0.3	629,893
Toronto	95,311,314	—3.2	101,967,964
Hamilton	3,784,429	+11.2	3,641,732
Kitchener	823,891	—2.0	878,280
Brantford	717,473	+15.1	818,798
Kingston	457,879	—5.3	486,871
London	2,171,646	—2.6	2,621,370
Chatham	331,314	—2.7	371,019
Windsor	2,068,198	+11.7	2,186,328
Sarnia	485,248	+31.3	480,867
Sudbury	737,107	+5.6	763,237
Fort William	488,346	—19.6	614,524
Winnipeg	34,630,018	—47.8	39,893,054
Brandon	277,012	—5.8	298,676
Moose Jaw	426,437	+22.5	444,175
Saskatoon	1,223,958	+10.0	1,410,923
Prince Albert	329,525	+33.6	348,744
Edmonton	3,707,574	+17.9	3,582,049
Medicine Hat	221,512	+33.2	268,905
Lethbridge	392,922	+21.4	423,950
N. W'minster	554,639	—4.3	415,743
Vancouver	13,926,448	—6.4	14,354,114
Victoria	1,457,904	+8.8	1,472,759
Regina	3,293,751	+26.4	3,566,448
Calgary	4,271,196	—9.6	5,245,887

C. S. L. Links Hamilton to Thousand Islands

Canada Steamship Lines has inaugurated a weekly steamer service from Hamilton to the Thousand Islands. This links Hamilton with the passenger service from Toronto through the Islands for the first time.

BANKS WARN MONEY ORDERS BEING RAISED

Version of Cheque-raising Causes Losses in Eastern Cities

Money-order raising has revived in eastern Canada as a drain on banks and merchants. This, of course, is simply a variation on the old and popular swindle known as cheque-raising.

Banks have issued warnings to the public to beware of smudged money orders presented by persons unable to identify themselves satisfactorily. Already one Robert Wood of Cornwall has been placed under arrest at Smiths Falls. Charges may be laid in Ottawa, Brockville, Kingston, Belleville and in many American centres. Wood is alleged to have raised money orders of the Canadian Bank of Commerce.

Raising of money orders is somewhat easier than raising cheques. It is a less refined and less profitable swindle, requiring less skill and finesse on the part of the crook.

Modus Operandi

Money orders are so widely accepted as cash that the field for the swindler is enormous. All he has to do is to buy a small money order, alter the figures, and then cash it somewhere by making a small purchase.

The technique used recently in eastern Canada is crude. The swindler buys, say, a money order for $9.10. By erasure, or by scraping with a knife, he clears space to raise the amount to $90.10, or to $91.00. In raising the amount, a heavy pen nib is used. Then all the writing on the money order is written over with the heavy nib. This gives some appearance of uniformity. Still the job is crude and should be readily detectible if care is taken in scrutinizing the document.

Identity Important

The important thing, of course, is for the swindler to pass off the raised money order for cash. This is usually done by making a small retail purchase. The "change" from the purchase is the swindler's profit, less, of course, the cost of the original money order. Identification for the merchant's purpose is effected by a bogus photograph or by similar means. In one case a swindler has represented himself as the agent of a bonding company using a photo pasted on an identification card. It is also possible to use false-name liquor permits or driving licenses.

Cheque Raising

The cheque-raising technique is more intricate. Unfortunately, however, many persons lay themselves open to this form of victimization.

For instance, in making out cheques, it is dangerous to make them payable to comparative strangers without observing a few simple rules. In marking the amount the figures should be written close together. The proper method of writing the amount is $10.00—not $ 10.00. The latter can easily be changed to $110.000.

In writing the amount, the words should start close to the left side of the cheque. It is wrong, for example, to write:

"The sum of Ten00/100 Dollars:

It should be written:

"The sum of Ten 00/100 Dollars."

Obviously to leave a space in front of the word "Ten" gives an opening for a crook to write in the words, "One Hundred and."

Unless care is taken in writing cheques, it is comparatively easy even for an unskilled forger to write six up to sixty, seven to seventy, eight to eighty, and so on ad infinitum.

Endorsing of Cheques

Careless cheque endorsation gives the swindler virtual carte blanche for conversion of funds to his own pocket. Endorsation should be made as near the top of the reverse side of the cheque as possible. If the payee writes his name across the middle of the cheque, a swindler need only put the cheque in his typewriter and place above the payee's signature the words:

Pay to the order of
James Swindler

Then signing himself below the endorser, Mr. Swindler only needs to identify himself to convert the cheque to his own purposes.

Five-day-week Succeeds In Kitchener Experiment

A five-day week plan has been adopted by Goudies, Ltd., Kitchener department store, with what Mr. Goudie terms "very satisfactory" results. Throughout June, July and August the store remains closed on Mondays as well as the Sabbath, although employees are still paid at the old six day rate. The company has made extensive use of the scheme in advertising.

It has been estimated by Mr. Goudie that the plan will result in an increase of employment of possibly 15 per cent on the part of office staffs, and possibly five per cent on the part of selling staff. An appeal has been made by the firm to financial institutions, particularly insurance offices, and to manufacturers and other employers to adopt a similar plan, although the suggestion has been made that for these a Saturday in place of Monday closing might be more convenient.

Elect R. M. Sedgewick Director Stan. Chemical

R. M. Sedgewick, secretary-treasurer of Standard Chemical Co., was elected a director at the annual meeting last week. Otherwise the meeting was of a routine nature.

A Trustee Investment Yielding 4.65%

Invest in Saskatchewan Bonds

The recent issue of Province of Saskatchewan 4% Bonds, due August 1st, 1960, provides the security of a trustee investment, combined with the substantial interest return of 4.65%. Denominations of $500 and $1,000 are available.

Saskatchewan, under sound administration, is showing improvement in its current budgetary position.

Price: 90.45 and interest, yielding 4.65%

It is convenient to order these Bonds by mail.

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NOTICE TO

DEBENTURE HOLDERS

of

WINDSOR, WALKERVILLE, EAST WINDSOR, SANDWICH, ESSEX BORDER UTILITIES COMMISSION, WALKERVILLE-EAST WINDSOR WATER COMMISSION AND ROMAN CATHOLIC SEPARATE SCHOOLS

The Windsor Finance Commission announces the appointment of GUARANTY TRUST COMPANY OF CANADA Windsor, Ontario, as its fiscal agent for the refunding of the debts of the amalgamated municipalities of East Windsor (formerly Ford City), Walkerville, Windsor and Sandwich.

Debenture holders are requested to advise the Fiscal Agent immediately as to their holdings, giving bylaw number, serial number, by whom issued, principal amount and due date of all debentures held by them.

The fiscal agent charges no fees for registration of debentures.

Address All Communications To

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A SUSTAINED ADVANCE

THE advance which Canadian industry has made since February 1933, the low point of the depression, proves beyond doubt the inherent soundness of our economic structure.

In the entire field of industrial production, Canada has shown an improvement of 61%. Mining is up 51%; production of iron and steel 360%; automobiles 442%.

Here is a real tribute to the stability of Canadian industry. Such recovery inspires confidence in the securities of basically sound industrial and utility companies.

We recommend
Canada Northern Power Corp. 5% Bonds
McColl-Frontenac Oil Co. 6% Preferred
International Bronze Powders 6% Preferred

NESBITT, THOMSON and Company Limited
355 St. James Street West, Montreal
Branches in all the principal cities of Canada

BOND CHANGES MOSTLY MINOR TRADING DULL

Dominion Borrowing at Low Level Augurs Well for Refinancing

Dull summer trading saw few important changes in bond prices in the week ended July 30.

Gilt-edged bonds showed a slight tendency to softness. Trading volume was too small, however, for the minor movement to be significant.

Western provincial issues were also fractionally easier without, however, developing a marked trend. Corporation bonds were steady with a few noteworthy gains. Massey-Harris 5's rose two points to 86¾ bid on the news of increased sales volume. Gypsum, Lime 5½'s and General Steel Wares 6's added a point each to recent gains to bids of 87¼ and 94½ respectively. A 2¼-point reaction of Maclaren-Quebec 5½'s carried the bid price down to 71. Other changes among the Quebec power issues affected by the Hydro contract question were of no major importance.

Dominion Financing

The Dominion's sale of 92-day treasury bills at a cost of only 1.2337 per cent made a new low record for cost of short-term money. The $30 millions borrowed is not sufficient to pay all the $50 millions of 2⅞ per cent treasury bills maturing Aug. 1. It is believed that the remaining $20 millions is covered by funds on hand or available through the Bank of Canada.

Next probable financing of the Dominion will concern callable C.N.R. issues on Sept. 1 and Oct. 1 and the refinancing of $50 millions of two per cent notes maturing in New York Sept 1. Firmness of bond prices in the United States should allow favorable refinancing of these securities.

Trend of the gilt-edged market is indicated in The Post's averages below:

Average Yield and Price for Seven High Grade Canadian Bonds

1935	Yield %	Price $	1934	Yield %	Price $
July 30	3.493	113.02	July 30	3.814	110.36
July 29	3.494	113.01	July 28	3.814	110.36
July 27	3.493	113.03	July 27	3.814	110.36
July 26	3.493	113.03	July 26	3.833	110.14
July 25	3.483	113.12	July 25	3.784	110.75
July 24	3.476	113.21	July 24	3.787	110.68
July 23	3.474	113.24	July 23	3.789	110.63
July 2	3.536	112.72	July 3	3.956	108.84
June 1	3.523	112.99	June 1	3.831	110.25
Year's	3.367	114.97	Year's	3.373	115.00
Range	3.608	112.10	Range	4.517	102.54

Ellis Park Paying Aug. 1, 1934, Coupon

Coupon 19, due Aug. 1, 1934, on the seven per cent first mortgage bonds of Ellis Park Apartments, Toronto, became payable Aug. 1, 1935. The coupon due Feb. 1, 1934, was paid on Dec. 20, 1934.

The rental situation at Ellis Park Apartments has improved, according to Stewart Scully Co., original underwriters of the bonds. A letter to bondholders states: "At present all apartments are occupied. The rents have not been increased much from the low point, but the company hopes for some increases this fall. All due taxes and accounts are paid and the property is being kept in a good state of repair."

Ontario Steel Products Pays 1 p.c. on Preferred

From Our Own Correspondent

MONTREAL.—Decision to resume dividends on $360,300 outstanding 7 per cent cumulative preferred stock of $100 par value of Ontario Steel Products, apparently indicates that there was a further revival in business in the year ended June 30, 1935.

The preferred stock has accumulated arrears of 21 per cent since the last dividend payment made in August, 1932. The company's net operating earnings did not cover depreciation, bond interest and sinking fund in 1931, 1932 or 1933. After bond interest, taxes, and depreciation reserve, it made in the year ended June 30, 1934, a net profit of $598.

To pay one per cent dividend would need $3,603, or a rate of more than $14,000 for the year.

Offer $800,000 Issue For Montreal Order

Hamel, Fugère & Cie., Quebec, is offering at 100 $800,000 of four per cent debentures of Soeurs de la Congregation de Notre Dame de Montreal. Purpose of the issue is to refinance $465,700 of five per cent debentures which have been called for redemption and to reconstruct the convent of Joliette.

Bond Sales

Dominion Treasury Bills

Dominion of Canada has sold $30 millions of 92-day treasury bills maturing Nov. 1 at an average cost of 1.2337 per cent, the lowest cost on record.

Saint John

Saint John, N.B., has sold $175,000 of 3½ per cent, 40-year debentures to Griffis, Fairclough & Norsworthy, Toronto, Cochran, Murray & Co. and Dyment, Anderson & Co., Toronto, at 97.30. Bids were:

	Bid
Griffis, Fairclough & Norsworthy; Cochran, Murray & Co.; Dyment, Anderson & Co.	97.30
A. E. Ames & Co.; Royal Bank; T. M. Bell & Co.	95.82
Dom. Securities Corp.	95.69
McLeod, Young, Weir & Co.	95.30
Wood, Gundy & Co.; Eastern Secs. Corp.; Bank of N. S.	95.10
Nesbitt, Thomson & Co.; W. C. Pitfield & Co.; Johnston & Ward; Irving, Brennan & Co.	92.88

Bond Redemptions

Bond Issues:	Rate	Date	Date	Price
Belding-Cort.	5%	1936	Nov. 1	105
Can. Cons. Felt	‡6%	1940	Oct. 1	105
Tor. Housing A.	▲5%	1953	Aug. 12	105
Mtl. L. H. Ref. B	5%	1970	Sept. 1	105
Can. Copper Ref.	6%	1945	Aug. 15	104
Dom. Canners	*6%	1940	Oct. 1	110
Wood, Alex. & J.	•6%	1944	Aug. 9	...
Amer. Salesbook	6%	1939	Oct. 1	102½

For sinking fund ‡$65,000. ▲$25,000. *$62,600. •$21,700.

Investment Notes

What Money Talks

IF MONEY really talks, changes in holdings of U. S. investment trusts are significant of American investment opinion.

Ford of Canada A stock was bought to the extent of 700 shares by U. S. and International Securities Corp. in the first half of 1935. This is an increase from 2,500 to 3,200 in total holdings.

Canada Dry Ginger Ale common was eliminated entirely from the portfolio of Incorporated Investors, American investment trust, in the quarter ended June 30. The trust sold its 5,000 shares at a loss.

International Petroleum common has been in favor. U. S. & Foreign Securities Corp. bought 5,000 shares in the first half of this year. Also Continental Securities Corp. bought 1,000 shares of Pete in the first half. Neither of these securities firms had held any of the stock at Dec. 31, 1934.

National Biscuit common jumped 10,000 shares in the portfolio of Incorporated Investors in the second quarter of this year. Holdings of 10,000 shares at March 31 rose to 20,000 at June 30.

Loblaw Outlook

HIGHER sales of Loblaw Groceterias in each of the last two years is attributed to establishment of additional meat, fruit and vegetable markets in an analysis of the company by Mess. Lawson & Co., Toronto Stock Exchange firm. These markets have been profitable during the past year. Says the analysis: "They will no doubt prove to be more so in future, as they will be supplied from the new warehouse which has been built especially for the handling of meats, fruits, and vegetables."

Massey Preferred

LAST week in commenting on Gairdner & Co.'s analysis of Massey-Harris preferred in this column, the price of $21 a share was quoted which is, in fact considerably below the actual market value of the preferred. Thus, in visualizing a price for the shares of three or four times present levels the analysis augurs prices ranging from $75 to $100 a share for the stock instead of the lower figures reckoned last week. Incidentally, the analysis points out that internationalization of the Massey-Harris business enables it to get the benefits of improved agricultural conditions abroad as well as at home.

Great Lakes Paper

IN THE last few weeks, Great Lakes Paper defaulted six per cent bonds have been unusually strong. The reason, of course, is the news that competition for the assets is likely to aid investors. At about 40, however, the bonds are still in the greatly depreciated class. It is understood that an offer of five per cent interest is expected to be made on at least a portion of the bonds at the judicial sale on Sept. 20. It is entirely possible, for instance, that bondholders may be offered five per cent on at least $500 of each $1,000 bond. This would leave $500 of principal and about $200 of interest on each $1,000 bond to be dealt with. Securities offered to bondholders to replace this $800 would still leave a chance for investors to back more income in the future. Thus, in buying bonds at 40, there is a chance of a fixed yield of over six per cent with prospects of hopes of some return on new junior securities.

Dominion Coal Preferred

FAVORING Dominion Coal preferred, Jones Heward & Co., Montreal Stock Exchange firm, says the risks involved seem less than in many issues which yield less. "Once a subvention always a subvention" is the axiom it thinks applies to Dominion assistance of the coal operations in Nova Scotia. Tariff protection, of course, has also been a big help to the company.

Hunts Savarin

VENTURE of Hunts Ltd. into a 10-year lease of the huge Savarin restaurant on Toronto's Bay Street appeared at first sight a risky thing for the company. It appears now, however, that the lease is not entirely at a fixed rental. There is a percentage basis. This is a distinct protection to the catering and confection firm. Still, the largeness of the Savarin operations will necessitate substantial volume to make the venture profitable.

What C. S. L. Needs

STRIKE of Canada Steamship Lines dock workers at Windsor was brief and not of particular significance. The men asked for 50 cents an hour, a raise of 20 cents and got 40 cents, a raise of 10 cents in the hourly rate. The event is of only minor importance to the company. What C. S. L. really needs is a larger volume of grain traffic coming down the lakes. Investors in the company's securities should watch export volume and routes closely. Unless the eastward flow of grain increases materially within a few weeks, chances for the company improving materially on last year's earnings appear slim.

Goodyear Holders

INCREASE of some 800 in the number of holders of preferred stock of Goodyear Tire & Rubber Co. is advantageous to all concerned. The investors have a profit, and the larger number of shareholders increases the market for the company's stock and creates a broader interest in the company's products. The increase in preferred shareholders amounts to about 20 per cent.

Celanese Activity

CANADIAN Celanese plants are reported running close to maximum capacity. Both physical and dollar volume are understood to be well ahead of last year's figures.

Moore and Burt

BUSINESS of Moore Corp. and F. N. Burt Co. continued to improve in the past six months, as indicated not long ago in The Post. The present dividend rate of $2 a share on Burt common appears likely to be maintained, while there is still a possibility of an increase in the Moore Corp. payments.

Power Corp. Earnings

AS INDICATED some weeks ago in The Financial Post, the annual statement of Power Corp. of Canada for the year ended June 30, 1935, will show a considerable improvement in earnings. Earnings in the year ended June 30, 1934, amounted to 29 cents a share and in the year just closed were well above this amount. The annual report is expected to appear early in September, as usual.

Brazilian Obscurity

MARKET position of Brazilian Traction Co. common stock still lies under the incubus of Brazil's demoralized exchange position.

The export surplus of Brazil is virtually the sole source of foreign exchange. The situation, therefore, occasions a great deal of anxiety in and outside Brazil. In the first four months of 1935 the export surplus was about $8.5 millions, whereas in the similar period of 1934 it had been nearly $20 millions. Worse than that, there was in March and April a slight import surplus.

The situation becomes more and more confused because the exchange policy of Brazil lacks continuity. The new regulations are hard to understand and exchange difficulties are increasingly difficult and burdensome.

It all works back to the fact that the world coffee delivery for consumption during the year from July, 1934 to June, 1935, was its smallest since 1928-1929 season. The New York Coffee Exchange Inc., estimates it at 22.7 million bags, a decrease of 1.8 millions or 7.2 per cent. The Brazilian share was 14.9 million bags against 16.1 million bags in the previous year. It is down 7.5 per cent. Deliveries from other countries amounted to 7.8 million bags, which was down 6.8 per cent from the previous year.

Bonds of Brazil have fallen to low levels not only because of these factors which may not be permanent but because Londoners fear Brazil policy is becoming definitely anti-foreign. National expenses are increasing, the budget remains unbalanced and for the time, at least, the London market is closed to any idea of financing Brazil.

Significant Investors' Index Numbers

1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities	17	6	4	4	10	18	8	87	20	112
1929-34:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	68.5	27.3	44.0	30.5	38.6
Monthly Figures, 1935:										
January	129.4	14.0	71.5	181.5	75.8	134.2	106.8	129.7	50.4	90.5
February	126.4	13.4	67.4	197.7	75.6	131.3	109.1	128.8	49.4	89.6
March	117.0	11.6	56.0	176.0	74.1	126.5	101.6	125.6	45.1	86.1
April	119.4	11.1	56.9	178.6	73.1	125.1	99.6	130.8	43.8	88.5
May	121.9	10.8	59.9	211.7	70.3	127.8	102.4	144.4	44.4	96.8
June	118.6	10.5	58.4	217.9	67.2	127.0	104.7	145.2	45.0	97.1
Weekly Figures. 1935:										
July 4	121.3	10.8	56.6	209.6	65.7	127.5	108.4	141.7	44.5	94.8
July 11	121.3	10.6	57.5	213.6	66.8	127.3	112.8	143.2	44.4	95.7
July 18	121.1	10.3	57.1	210.5	66.7	128.5	118.3	143.6	44.5	95.4
July 25	120.9	10.7	57.7	209.5	68.1	130.0	116.1	143.8	44.9	95.6

*High and low of years from 1929 to 1934 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
July 30	109.24	102.78	91.76
July 29	109.26	103.36	91.83
July 27	108.99	103.19	92.96
July 26	108.84	103.39	82.44
July 25	109.18	103.65	92.06
July 24	109.42	103.82	92.76
Month ago	107.09	103.83	89.60
Year ago	92.03	124.39	91.90
High, 1935	113.99	123.68	103.99
Low, 1935	97.90	102.19	80.83

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
July 30	60.1	58.5	59.1
July 29	59.4	58.8	58.8
July 27	59.3	58.5	58.8
July 26	58.8	58.1	58.3
July 25	58.8	58.4	58.5
July 24	58.8	58.5	58.6
Month ago	59.5	57.8	58.4
Year ago	62.7	52.0	55.6
High, 1935	63.4	63.1	63.0
Low, 1935	56.1	56.0	56.7

Canada Bread Meeting August 27 on New Plan

Courts have given consent to Canada Bread Co. plan for reorganization of capital being presented to shareholders. A special meeting has therefore been called for 2 p.m. August 27, at which the various classes of shareholders will declare their will.

If 75 per cent of each class of shareholders approves the plan at this meeting, supplementary letters patent will then be applied for. When granted, the transformation will be complete in a legal sense. All that will remain will be the formal act by which the plan is given effect.

C.N.E. Space Demand Up

According to the latest summary the applications received to date show an increase of about 10 per cent for space at the Toronto Exhibition this year as compared with the corresponding date last year.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Municipal—							
Northumberland, N.B., County	July	W. C. Pitfield and Syndicate	5%	20-yr.	$70,000	*103½	4.70%
St. John, N.B.	July 25	Griffis, Fairclough & Norsworthy, Cochran, Murray, Dyment, Anderson & Co.	3½%	40-yr.	175,000	97.30	.....
Soeurs de la Congregation De Notre-Dame, Montreal	July	Hamel, Fugere & Cie	4%	serial	800,000	*100	.....
Provincial—							
British Columbia	July	Sinking Fund	3%	20-yr.	$2,000,000	....	.....
Dominion—							
Canada (Treasury bills)	July			92-day	$30,000,000	1.2337	.....

*Offering price.

PRESSED METALS FIRST CASH DIV. PAID SINCE 1932

Automobile Activity Reflected in Better Business for Company

Following official announcement from the company last May that earnings during the first quarter of 1935 had been "more than satisfactory" Pressed Metals Inc. has declared a dividend of 12½ cents per share payable October 1 to shareholders of record of September 16, 1935.

This is the first cash dividend since 1932 when 6¼ cents was paid following a total of 50 cents in 1931. On April 1, 1935, a stock dividend of 2 per cent was paid.

The company's authorized capitalization consists of 120,000 shares of no par value common stock of which 110,774 is outstanding. In 1934 an operating income of approximately $137,000 was reported as compared with $63,000 in 1933.

An item for $49,123, which appeared in the income account for the first time, in the 1934 report, however, reduced net profit to $40,616 as compared with $31,363 in 1933. This item was described as "change from brass manufacturing written off."

The company's plant at Marysville, Michigan, is engaged almost exclusively in the manufacture of parts for the automobile industry. It specializes in spring shackles and screw machine products. It is understood that it makes many of the parts that go into independent wheel suspension equipment for most popular makes of cars.

Following greater activity in automobile manufacture in the last few years the company's plant has been working steadily. Yearly changes in automobile designs, however, have necessitated the purchase of much new machinery, a step which has eaten considerably into earnings.

Moore Corp. Clears Off Last Of Funded Debt

The last portion of funded debt of subsidiaries of Moore Corp. disappears on October 1, 1935, when American Sales Book, Inc., redeems $178,500 of 6 per cent first mortgage bonds due 1939 at 102¼. This improvement was reflected in a gain in sales of about 50 per cent over 1933. The last payment on the class "A" shares was made on July 15, 1931. The shares are entitled to $1.50 per annum each in dividends, non-cumulative. Despite the improvement in business in 1935, it appears that class A dividends are still distant.

In 1934 Pacific Burt Co., Ltd., another subsidiary, redeemed the last portion of its funded indebtedness, $128,000. In that year $286,000 of American Sales Book Co. bonds were also redeemed so that the call for funds for redemption will hereafter be nil, which should be of distinct benefit to earnings of parent company. That may help the position of the common stock especially. The company paid 50 cents a share in 1934 on 276,241 no par value shares and earned $1.10 a share. The amount paid in redeeming bonds in 1934 alone would have been equivalent to nearly $1.50 a share on common stock. The amount paid in 1935 is equal almost to the full dividend in 1934 on common stock.

The directors paid the 50-cent dividend on the common on July 2 and stated that a final dividend for the year would be considered toward the end of the year when the company will be in a position to gauge the earnings for the entire year.

CANADA FOUNDRIES ACTIVITY INCREASES

Manager Thinks Gains Will Continue to End of Year

Canada Foundries & Forgings, Welland, has had an increase in wages paid of approximately 20 per cent in the first six months of 1935, states manager Alex Smith, in a letter to Canadian Machinery, Toronto technical publication.

The improvement in business has been general, Mr. Smith states. "It is our belief," he adds, "that the balance of the year will continue to show improvement in the same proportion the first six months compared with last year."

In 1934, the company had a net operating loss of $5,208 after bond interest and depreciation compared with a loss of $79,035 in 1933. This improvement was reflected in a gain in sales of about 50 per cent over 1933.

Form Bond Committee Essex Border Utilities

A committee has been formed in connection with the Windsor merger, to act on behalf of the debenture holders of Essex Border Utilities Commission. The committee was formed at the request of holders of a large amount of debentures and as constituted represents private and institutional investors.

The committee, through a circular letter which has been sent to all known debentureholders, is drawing attention to the appointment of a fiscal agent to draw up a plan for the reorganization of the finances of the municipalities forming the new city of Windsor and their respective boards and commissions. In the committee's opinion it is important that debentureholders be organized and, therefore, the deposit of bonds is being requested.

A complete study of the situation is being undertaken by the committee in order to be in a position to act advisedly upon any plan of reorganization. Under the terms of the deposit agreement, before the committee can approve any refunding plan, details must be submitted to depositors, who will be given an opportunity to withdraw if the plan is not acceptable to them.

Butter Consumption

The consumption of butter in Canada in 1931 was estimated at 319.1 million pounds and in 1934 this had increased to 335 million pounds.

Municipal Finances

Calgary council has rescinded a by-law authorizing $227,000 of bank borrowing. Reason: Bankers have advised the city that only $150,080 of the city's line of credit for 1935 remains to be borrowed. If the city wishes to borrow more than this additional amount from the bank, it will be necessary to expand the credit agreement.

St. Catharines annual report shows that the city borrowed $120,500 during 1934 from the sinking fund. H. T. Jamieson, city auditor, points out that while loans from the sinking fund are advantageous and can at any time be replaced by bank loans, they are illegal.

Toronto share of relief expenditures in the city was $2,003,724 in the first half of 1935, compared with $1,629,253 in the same period of 1934, an increase of $374,471.

Jonquiere village school corporation, Quebec, has been authorized to pay coupons due Aug. 1, 1934. Interest is also being paid on bonds which matured Aug. 1, 1933, and Feb. 1, 1934.

Ile Perrot, Que., has consolidated its debt of $31,000 over 35 years.

Walkerville bondholders have been requested to deposit their securities with the official protective committee at Toronto.

North Vancouver city and district, both of which are in default, have claims against the Vancouver Harbor Commission for $395,113 of tax arrears, according to J. V. Fisher, commissioner for the defaulters. The claims are on land purchased by the Commission and improved by it. Part of the land is now under lease and the rest is held for His Majesty the King; that is, for the Dominion government. The claim for taxes is indirectly on the Dominion. Among the major liabilities of the defaulters are guarantees of bonds for the Second Narrows Bridge. Mr. Fisher doubts the wisdom of asking the Vancouver Harbor Commission, which represents the Dominion Government, to assume all the bridge liabilities which total about $2¾ millions. He suggests, however, that a grant of $900,000, the cost of the new span, would enable the municipalities to return the structure to the bridge company for operation.

Montreal sales tax is causing trouble. Tobacco retailers are circulating petitions to have the exemption raised from 10 to 25 cents. Mayor Herve Ferland, of Verdun, and Verdun merchants are attacking the constitutionality of the tax in 30 cases which are to be heard Aug. 8. Verdun is in the metropolitan area throughout which the tax is levied.

Vancouver Will Proceed With Works

From Our Own Correspondent

VANCOUVER.—Appeal court has refused to sustain applicants for an injunction against the city of Vancouver in its issue of $1,500,000 bonds, so Mayor McGeer will proceed with his programme for building a new city hall and other works.

However, the case itself comes before the B. C. supreme court in September, and preparations are being made to fight the issue then. J. B. Williams, counsel for those contesting validity of the bonds, contends that the appeal court decision did not determine whether or not the bonds were legal.

Meanwhile, to circumvent the possibility of the bonds being invalidated by the supreme court, the city asked the provincial government to invoke its Special Powers Acts to place the bonds issue beyond question, but Premier Pattullo has declined to take action.

New Industries and Plant Extensions

Compiled Weekly By The Financial Post

Metal Products, Ltd., Thamesville, Ont., will shortly begin the manufacture of steel wool. This industry is unique in Canada, and, it is believed, one of two in the British Empire. The trade name of the manufactured product will be "Bulldog Brand."

Chromium Mining and Smelting Company, Sault Ste. Marie, is now manufacturing ferro silicon, and is extending its plant in readiness for the installation of new machinery for the manufacture of ferro chrome, to be marketed chiefly in the United States and England.

Mutual Pulp & Paper Mills—Decision has been reached by officials of this company to proceed with construction of its $5,000,000 250-ton bleached sulphite mill at Prince Rupert. Construction period will be about 18 months. Further details unavailable.

General Motors, Oshawa, will spend over $300,000 in enlarging and re-arranging its plant and in adding new equipment, according to an announcement made by H. A. Brown, vice-president and general manager. (Oshawa Times).

Enfield & Sons, Winnipeg, will invest $20,000 in a new plant and machinery, including the purchase price of two lots. A bakery plant and garage and stables will be erected, the firm having heretofore been located in rented premises. (Winnipeg Free Press).

New Products

Fernico—a new alloy steel which expands under heat at the same rate as glass. The first commercial application was in its use for electrical connections in the base of the new metal radio tubes recently put on the market. Production of the new metal has started at the rate of 15,000 pounds a month at the Allegheny Steel Co., Brackenridge, Pa., according to the announcement of W. F. Detwiler, executive vice-president.

JOBS INCREASE IN MANY CITIES EMPLOYERS STATE

But Montreal, Toronto and Windsor Show Less Activity

Detailed news of employment conditions in leading Canadian cities as at July 1, as prepared by the Dominion Bureau of Statistics from returns received direct from employers, are shown below.

Since no information is available from any individual city in the Maritime Provinces the report for that area is shown instead. In five of the eight cities, (namely, Quebec, Ottawa, Hamilton, Winnipeg and Vancouver, improved employment was shown as compared with the previous month. Montreal, Toronto and Windsor area showed less employment. In all communities employment was more active than a year ago.

Montreal.—Employment showed a small decline as at July 1, from the preceding month, mainly in manufacturing. Animal food, tobacco and beverage and musical instrument plants reported heightened activity, but there were larger reductions in textile, leather and iron and steel plants. Work on the streets and roads and in trading establishments also showed a falling-off, while services, building construction, transportation and communications afforded rather more employment.

A combined working force of 129,925 persons was indicated by the 1,307 co-operating employers, who had 130,440 workers on June 1. An increase had been noted on July 1, 1934, when the index was practically the same, standing at 86.7 as compared with 86.8 at the latest date.

Quebec. — General improvement reported from 166 firms with 12,997 employees, compared with 12,556 in the preceding month. Employment in trade, services, manufacturing and building increased moderately. The index was higher than at the beginning of July, 1934, when a general decrease had been shown.

Toronto.—A small contraction in industrial activity on July 1, when trade, construction and transportation showed improvement, offset by declines in manufacturing, notably iron and steel, textile and leather products.

The 1,385 employers furnishing data reduced their staffs by 256 workers to 118,809 at the beginning of July. A general gain had been reported on the same date of last year, but the July 1, 1935, index, at 97.7, was 3.6 points higher than for the same date in 1934.

Ottawa.—169 employers reported 13,603 persons on their pay lists, or 333 more than in the preceding month. There were increases in manufacturing notably in lumber and iron and steel factories, and in building construction, while other industries showed little general change. On the whole, the situation on July 1, 1934, had remained unchanged from the preceding month; the index then was lower than in the month under review.

Hamilton. — Employment was in greater volume than on the same date of last year; 97 workers were added to the forces of 267 firms furnishing information, bringing them to 30,009 at the beginning of July, 1935. Manufacturing reported moderate improvement, and trade and transportation also showed small gains, but construction was quieter. This general increase was the sixth recorded in Hamilton since the beginning of the year.

Windsor and the Adjacent Border Cities.—Reduced activity, mainly in iron and steel plants, caused a decline of 1,330 persons in the staffs of the 165 reporting employers, who had 15,382 in their employ on the date under review. There was an upward movement on July 1, 1934, although the reduction then indicated had involved fewer workers.

Winnipeg. — Communications, transportation and construction registered moderate advances, and the tendency was also upward in manufacturing and trade, while services were slightly slacker. An aggregate working force of 38,059 employees was reported by the 447 co-operating firms; this was 919 more than on June 1. The improvement noted on the same date of a year ago involved a small number of persons, and the index of employment, at 82.7, was then lower by 6.4 points.

Vancouver. — Trend continues favorable, say 404 establishments employing 31,689 workers, as against 30,814 in the preceding month. There were increases in practically all groups, those in construction, communications, transportation and manufacturing being pronounced; within the group of factory employment, the greatest expansion was in lumber mills. A similar increase, on the whole, had been recorded by the firms making returns for July 1, 1934, when the index was some ten points lower.

Maritime Provinces. — Statements were tabulated from 659 firms employing 76,030 workers, as against 72,329 in the preceding month. This increase brought the index to 106.7, or 6.3 points higher than at the beginning of July in 1934, when the gain over the preceding month had been much smaller. The advance on the latest date, however, was rather less than the average indicated on July 1 in the years since 1920. Railway and highway construction recorded substantial improvement on the date under review, while there was also additions to staffs in lumber mills and in logging, transportation, communications, service and trade. On the other hand, pulp and paper and iron and steel plants and coal mining were slacker, the losses in the last named being seasonal in character.

Principals Willis & Co. Standing Trial in N. B.

Branches of the stock brokerage firm of E. A. Willis and Company Ltd., of Saint John, Moncton, Campbellton and Bathurst, N.B., have been closed, following suspension of its license and pending an investigation of the firm's affairs by the New Brunswick Public Utilities Board.

Hon. J. B. McNair, K.C., attorney-general of New Brunswick, has announced that E. A. Willis and E. A. Malone, chief executives, were arrested at Toronto on a charge under a section of the criminal code involving "illegal dealing with shares held for customers in stock market transactions."

Safe Municipal Bonds

TO YIELD 5.40%

We can offer you bonds of Canadian municipalities which have proven themselves sound in the midst of the world's greatest depression. Debenture debt burden is low and current account situation is good.

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Industry Busy But Fewer Men Work on Roads

Employment in Canadian manufacturing plants moved into new high ground at the first of this month according to returns received by the Dominion Bureau of Statistics from 8,587 firms employing almost 800,000 persons. After seasonal adjustment the Bureau's index reached 95.9—the highest point since June, 1931. The customary trend at this time of the year is downward. Foodstuff and lumbering plants showed important gains with employment improvement also in musical instrument; tobacco, clay, glass and stone, electric current and apparatus, non-ferrous metal and non-metallic mineral industries. Iron and steel plants showed considerable slackening, as did most leather, textile and footwear plants.

Highway Work Slack

Looked at as a whole, employment among all industries in Canada (excluding agriculture), although slightly better on July 1, failed to show as much improvement as is customary at this time of year. Chief reason is the curtailment of work on highways and roads which employed 50,000 less persons than at this time a year ago.

In other groups, gains were shown in mining (except coal) communications, services, trade, transportation, and construction and maintenance. With the exception of construction, the gains exceeded the average for this time of year. Logging showed considerable contraction against an increase in employment at this time last year.

Ontario Less Active

The trend was definitely upward in each of the economic areas with the largest additions to staff in Ontario and Prairie provinces. Except in Ontario the employment indices as at July 1 were considerably higher than at the same period a year ago. In the latter province the very heavy employment of highway and other labor, prior to the provincial election in mid-June, may have had an important bearing on the employment situation in that province. Detailed information as to employment by cities is shown elsewhere in this issue.

Windsor Bond Registry Costs Holders Nothing

In soliciting registration of debentures of Windsor, Sandwich, East Windsor and Walkerville, Guaranty Trust Co. of Canada points out that no expense to bondholders is involved. The registration service is free.

Registration of bonds is being sought so as to keep holders advised of progress in regard to merger of the four municipalities and their school commissions. Guaranty Trust Co. of Canada is the fiscal agent of the finance commission recently appointed to arrange financial details of the merger. Politically the merger is already effective, but the financial phases of amalgamation have yet to be completed.

TOWN OF AYLMER

TO

Purchase Bonds for Sinking Funds

Offers will be received by H. Geoffrion, Delegate of the Quebec Municipal Commission, 221 Notre-Dame Street West, Montreal, up to noon the 15th day of August, 1935, from persons willing to sell bonds of the Town of Aylmer for sinking funds.

Parties offering must state the par value of bonds tendered, maturity and price.

The Commission reserves the right to reject any and all offerings in whole or in part. Bonds accepted are to be delivered on or before the 20th day of August, 1935, and interest on accepted bonds will cease on that date.

QUEBEC MUNICIPAL COMMISSION

Henri Geoffrion, Delegate.

CITY OF BRANTFORD

TENDER FOR BONDS

SEALED TENDERS addressed to the undersigned at the City Hall, Brantford, Ontario, and forwarded by Registered Mail marked "TENDER FOR BONDS" will be received up to Five o'Clock P.M., August 7th, 1935, for the purchase of the following Debentures:—

BY-LAW No. 2497, $75,000.00, 10 Year Serials, 3½%.

BY-LAW No. 2496, $80,000.00, 10 Year Serials, 3½%.

The above debentures are dated June 29th, 1935, and will be issued in denominations to suit the purchaser.

Payment will be required in Brantford Funds on delivery of debentures, which must be accepted on or before October 1st, 1935. Full particulars may be obtained on application to the undersigned.

TENDERS will be opened in the Council Chamber at the City Hall, Brantford, on August 7th, 1935, at 7.30 P.M.

Brantford's financial position is sound. During 1933 and 1934 the Debenture Indebtedness was reduced $454,203.93. Tax Collections show an increase to date over 1934 of $93,706.10. All payments due on Debentures have been promptly met.

Dated at Brantford this Eighteenth day of July, A.D. 1935.

E. A. DANBY, City Treasurer.

ENGLISH ELECTRIC AIMS AT STABILITY

Lighting Line Intended to Maintain Consumer Demand in Slack Times

Annual meeting of shareholders of English Electric Co. of Canada held in Montreal last week was of a routine nature. Reports were adopted and directors re-elected.

Of particular importance to investors is the internal reorganization of the company, which in the past year has resulted in several additions to the staff. The result is that the company's technical organization has been almost entirely revamped.

Significance of the acquisition of rights to manufacture "Barlux" tube lamps is that this development is expected to give the company greater stability of earnings. In the past, English Electric has depended chiefly on sales of heavy equipment such as motors and transformers, etc., for its volume. These being durable goods, the company has found that during the depression it has had few lines of perishable consumer goods to maintain its volume. It is hoped that lines such as the "Barlux" lamp will result in a steady demand for the company's installations and replacements even in times of depression.

Notice to Holders of TOWN OF WALKERVILLE Debentures

Holders of a substantial amount of debentures of Town of Walkerville have requested the undersigned to act as a Committee for the purpose of safeguarding their interests as debenture holders. The Committee have issued a circular to all known debenture holders reviewing the circumstances leading up to the default of debenture principal, and requesting debenture holders to deposit their debentures.

The Committee is of the opinion that the appointment of a fiscal agent to draw up a plan of refunding, makes it imperative that debenture holders immediately place themselves in a position where united action can be taken on their behalf.

Copies of the Committee's circular and form for depositing debentures can be obtained by communicating with the depository, The Canadian Bank of Commerce, Walkerville, or any of the branches of the Bank, or with the Secretary of the Committee.

Dated at Toronto this 30th day of July, A.D. 1935.

J. H. Luxton, Waterloo, Chairman.
W. H. Isaacs, Walkerville.
A. F. D. Lace, Toronto.
E. F. Ladore, Walkerville.
L. A. Winter, Toronto.

Secretary to the Committee
W. F. McIlroy, 302 Bay St., Toronto.

Canada,
Province de Quebec,
District of Three Rivers.

CITY OF THREE RIVERS

Loan of $139,300.00

PUBLIC NOTICE is hereby given that the Council of the City of Three Rivers will receive until the twelfth day of August, 1935, at four o'clock P.M., at the office of the undersigned, written sealed tenders, endorsed "Tender for the City of Three Rivers Bonds," for the purchase of said City of Three Rivers Bonds, amounting to ONE HUNDRED THIRTY NINE THOUSAND AND THREE HUNDRED DOLLARS ($139,300.00), issued for the improvement of the Drainage System, under By-Law No. 115 duly approved according to law and dated 1st May, 1935, and redeemable by series of annual payments, during Forty years from their date.

The above bonds will bear interest at the rate of 4% or 4½% per annum, payable semi-annually, on the 1st of May and the 1st of November of each year. Both the principal of these bonds and the interest thereon will be payable at the holder's option, at the chief office of the Banque Canadienne Nationale, in the City of Montreal, or at any of the branches of the said bank, in the City of Three Rivers, or in the City of Montreal, or in the City of Quebec.

The Bonds will be issued in denominations of $100.00 or multiples of $100.00 at the purchaser's option.

Separate prices will be considered for the following maturities:

1.—Serial Bonds maturing from 1st November, 1936, to 1st May, 1975, bearing interest at 4% per annum;

2.—Serial Bonds maturing from 1st November, 1936, to 1st May, 1975, bearing interest at 4½% per annum;

3.—Serial Bonds maturing from 1st November, 1936, to 1st November, 1950, bearing interest at 4% per annum;

4.—Serial Bonds maturing from 1st November, 1936, to 1st November, 1950, bearing interest at 4½% per annum.

The said tenders will be considered at the meeting of the Council of the City of Three Rivers, the 12th of August, 1935, at eight o'clock P.M., or so soon thereafter as the Council or its Committee can do so.

Each tender must be accompanied by a certified cheque payable to the order of the City of Three Rivers, equal to 1% of the par value of The Issue. The cheque of the tenderer whose offer is accepted shall be handed to him after the completion of his contract without interest.

The accrued interest on the bonds must be added to the price of the bonds at the time of their delivery.

The City of Three Rivers reserves the right to reject any or all of the tenders or to accept in whole or in part any of the tenders.

Particulars of the issue and table of maturities of the bonds may be secured on application to the undersigned.

The present notice replaces and cancels the one issued on 20th July, 1935.

The Treasurer of the City of Three Rivers.
JACQUES DENECHAUD.

City Hall, Three Rivers, P.Q.,
27th July, 1935.

The Financial Post

Member Audit Bureau of Circulations
Editor—FLOYD S. CHALMERS
Business Manager—D. M. GOWDY

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

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TORONTO, AUGUST 3, 1935

PAINTING BARNS

AFTER a lapse of five full years, Canadian farmers are beginning to paint their barns again.

There is no general rush, but here and there through most of the mixed farming areas, examples are readily noted.

While important enough in itself, in view of the immense area to be covered in familiar red, green or white, the significance of the return of barn paint is that it means the first real indication of a return of permanently better times to Canadian agriculture.

Hand in hand with the painting of barns goes the purchase of fencing, lumber, shingles, machinery, household equipment, automobiles, bonds and the thousands of other products which farmers buy when they begin to see money coming in. And with the general agricultural price level well above that of a year ago and the promise of fair to abundant crops this season, Canadian farmers are beginning to entertain reasonable hopes that this money will continue to come in.

Thus purchasing power is being restored along the concession lines.

THE PRESS AND THE RAILWAYS

WHILE Canadian newspapers differ widely in their favorite solutions for the Canadian railway problem, they are practically unanimous in feeling that the issue is one calling for more courageous action by the national government than it has had.

Canadian Printer & Publisher has been obtaining the opinions of Canadian daily, weekly and financial newspapers on the railway problem. The twenty-five replies published in the current issue indicate that there is a general feeling on the part of the press that politicians are afraid to speak out on the problem and that this is the most unfortunate aspect of the situation. The Woodstock Sentinel Review speaks for many when its editor says: "It is most unfortunate that neither great political party is prepared to face the issue squarely." The Sherbrooke Daily Record's editor is "amazed at the timidity of the governments in permitting their people to lie at the mercy of a white elephant." The editor of the Orillia Packet finds it "a matter of astonishment to us that our public men and the country generally have accepted the railway situation so meekly;" while the quotation from The Financial Post is a comment that has often been expressed in these columns: that one of our troubles in regard to the railway problem is that so many people discuss it with their minds made up.

"Both the major parties approach the railway problem with closed minds. Public men who should be studying the problems have pledged themselves to this policy or that without regard to the cost or consequences."

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THERE is a surprisingly large majority among the newspapers quoted, in favor of some plan of joint operation through unification or amalgamation, Mr. Beatty's proposal receiving very considerable support. Among the country weeklies there is a tendency to feel that the railway problem is a business problem to be solved "by clear-headed, competent business leaders," as the editor of the Picton Gazette put it. The editor of the Alameda Dispatch insists that the solution be found "outside of politics" and the editor of the Lachute Watchman expresses the opinion that the question "will never be settled if left to the rank and file of party politicians."

The general manager of the Calgary Albertan favors a plan of unified management but does not specify under what ownership while the editor of the Wadena News, who also asks for unification, really proposes amalgamation. It makes no difference to him whether the C. P. R. takes over the National Railways or the government takes over both.

There are other views on the problem in the current issue of Canadian Printer and Publisher and additional views, it is announced, will be published in subsequent issues.

BUSINESS TRAINING FOR CHILDREN

THE average Canadian child leaves school knowing nothing about business, nothing about finance, nothing about investment or insurance. Far from knowing something of the technique of even the smallest of business ventures, he is not even fitted to look after his own personal affairs.

The student who goes on to a commercial course gets some of the rudiments of financial and business practices. But too often they are given to him in a theoretical fashion and out of a textbook by a teacher who knows nothing of the practical application of what he or she is teaching. One who attended a recent gathering of commercial teachers was impressed by the earnestness of purpose of all of them and by the high calibre of some of the outstanding ones. But the tragedy of it was that a very large minority consisted of people who had obviously never been in a business office except possibly to pay a gas bill or to solicit an advertisement for a school magazine. Yet these men and women were teaching commercial courses on the strength of which their students were supposed to be able to get jobs and start on the way to success in life.

Recently in Toronto some very sound views on broadening the business education curriculum were stressed by Clyde I. Blanchard, managing editor of the Business Education World, of New York. Mr. Blanchard showed that business education is a threefold problem. First, there is the need for more business education for all young people in schools; second, a responsibility to those who are majoring in business education; and third, to adults who go back for extra or specialized training.

Under the first heading, Mr. Blanchard suggested several developments. He urged that all children going to school be given some training as consumers even if it is necessary to throw out some subject that is of little social value to them. He wants them told about investments, not only that they may be able to understand what is behind the financial news but that they will not go out into life entirely uneducated investors. Likewise, he wants them to be taught what is a wise programme of life insurance. He urges a certain amount of accounting education so that they will know how to control their earnings and he would have all pupils, whether they are taking commercial courses or not, made familiar with the operation of typewriters and other office appliances, so that any educated person could take greater advantage of them in the conduct of his daily affairs.

Mr. Blanchard's proposals for improving the vocational courses of business are equally progressive. He urges more attention to English. Particularly he wants the simple principles of business correspondence to be better taught so that people will come into business with some ability to write naturally, clearly, concisely, accurately, and courteously. He believes that salesmanship as it has been taught in the schools is not real salesmanship; it is high-pressure stuff which is no longer acceptable in business.

Education in the past has stressed too much mere textbook knowledge and vocational efficiency. It has overlooked the need of turning out citizens with a sense of social responsibility, able and anxious to fit themselves into the grooves in which they will be associated during their lives.

If we socialize education there will be no need to socialize our economic or financial system. Again and again it has been emphasized by the more penetrating students of the world's social problems that the changes that are needed are in men and women, and primarily not in systems. The right men and women will make any system work well. But those who have failed to acquire, in their homes, schools and churches, the right social attitude will be disrupting influences, no matter how we revolutionize our political and economic structure. Mr. Blanchard's paper shows that education is learning this today just as the church is learning it.

MR. KING AND INFLATION

WHENEVER Mr. King has spoken of money he has taken a stand against monetary inflation. But this cannot be said of some of his associates, including the Hon. Ian Mackenzie, M.P. for Vancouver Centre.

It so happens that Mr. Mackenzie has been suggested in various quarters as a likely candidate for the Ministry of Finance. This suggestion would not have been taken seriously some time ago. But now that both Mr. Dunning and Mr. Ralston are out of active political life, the possibility of Mr. Mackenzie becoming Minister of Finance, in the event of Mr. King being elected to office, is something to consider. Mr. Mackenzie's views on money are also worthy of attention.

Mr. Mackenzie wants the government of Canada to issue half a billion dollars of money on the basis of the gold now held in the Bank of Canada and to use it to reduce the public debt. The implications of such a plan are well put by the Calgary Herald which points out:

"There is no question about where the money would come from in Mr. Mackenzie's scheme. It would come from the printing presses. It would be direct and explosive inflation with all the possibilities for evil that such a move has always involved. The public should not be misled into the argument that printing new money creates new wealth. Actually it results in the depreciation of all money and it is particularly hard on the poor and the employees with small wages. Every recipient with a fixed income, everyone with a savings bank deposit or an insurance policy, every veteran with a pension and every individual who draws an old age pension would be injured by monetary inflation.

"Contrary to popular belief the wealthy do not have their riches in bank deposits. Most of these people have their wealth in real estate, factories, forests, mines and so forth. So inflation benefits them. But the ordinary class of citizens suffer heavily under inflation. Daniel Webster said: 'Of all the contrivances for cheating the laboring classes of mankind, none has been more effective than that which deludes with paper money.'"

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THOSE who know Mr. King's views are convinced that he would not approve such a plan. Mr. King cannot be expected to go around the country denying responsibility for all the schemes and promises offered by his numerous followers. But he cannot avoid being associated with statements made by the more important of his colleagues, among whom is Mr. Mackenzie. Either Mr. Mackenzie should get off his inflation tack or Mr. King should repudiate it as part of his policy. Otherwise, the country will rest uneasily under the prospect, even if only a distant one, of having a Minister of Finance with inflation as his chief policy.

AREAS OF PUBLIC IGNORANCE

WHAT does the public understand? Of what is it largely ignorant?

John W. Darr, American counsel on public relations, recently attempted to survey the state of public knowledge on a number of matters. He came to the conclusion that the public was 100 per cent informed on professional sporting events. But its ignorance on some other matters is appalling. This is the machine age, the age of materials and science. Yet the public is 95 per cent ignorant on the subject of steel alloys; 93 per cent ignorant on the subject of aluminum alloys; 98 per cent ignorant on the subject of gasoline.

Perhaps we can accept the public ignorance on what are commonly considered technical subjects as excusable. But Mr. Darr's surveys reveal some other things which are of very lively importance. The public is shown as 91 per cent ignorant on the subject of life insurance; 88 per cent ignorant of the great new industry of air conditioning; 75 per cent ignorant on the subject of railroad freight service.

Mr. Darr gives no figures regarding banking, investments, industrial profits, or other subjects where the general public understanding is so important but one may presume an equal ignorance in these fields.

The moral of the figures, of course, is that business has fallen down in selling its story to the public. When a baseball player sets a new home run record, or when a pugilist wins the world's heavyweight championship, it is not a matter of any great importance but practically 100 per cent of the people know about it. A new alloy, a new chemical technique, or a new system of developing power will have widespread social and economic consequences and affect the lives of every one. Yet few people will know about it or understand it.

Every business firm, whether in industry or finance or distribution, must, for its own protection, contribute to turning the black area of public ignorance into a white area of public understanding. Institutional publicity and advertising can be made interesting and effective. As the Vancouver Sun put it recently:

"The romance of foods and the change from heavy to light steel can be made as interesting as the croonings of soothsayers promising Communistic miracles."

This is a confused age. There is a need for straight thinking. Neither cracker-barrel philosophy nor wishful economic legerdemain constitutes straight thinking. But if the men who know do not attempt to tell the public then those who only think they know will step in and do the job.

HOW VICIOUS SPIRALS START

ITALY today provides an example of how inflation feeds on itself. Progressive inflation has been under way in Italy for some time. The wholesale price index has risen from 260 to 325 in the last six months.

As a result of the rise in prices, more money and credit are required to carry on normal domestic business. Banks have to make larger loans to finance the same amount of goods. So the government is being called upon to go in for further inflation. This would have the effect of further raising the price level and that in turn would call for the creation of additional credit. Thus, a spiral of ascending credit resources and ascending prices is set up.

A modest amount of this sort of thing is not bad for a country, after a serious decline in prices, but as the spiral ascends it usually gains in speed and momentum and the end is serious trouble.

Post-Scripts

ANGOSTURA bitters, famous secret-formula flavoring for cocktails, comes to Canada from Trinidad, B.W.I. When Canada reduced the duty on imported spirits from $3 to $5 a gallon under the British preference, Angostura bitters remained dutiable at $5 a gallon. Trinidad asked to have the bitters duty reduced so as to restore these goods "to the relative position enjoyed" prior to the cut in the spirits duty. Ottawa made the bitter sweet by cutting the Angostura duty to $2 a gallon. The wonder is whether this does not more than restore the "relative position enjoyed." The cut in spirits duty was 37½ per cent, on bitters it was 60 per cent. This was compliance with a vengeance.

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OBSOLESCENCE for the living and the dead. You may now take your last ride in "a new, modern streamlined funeral car."

"The model is something entirely new in funeral cars," says a press release attributed to the president of the company. "It is long and low and luxuriously finished throughout. It contains many features heretofore unavailable in vehicles of this type. Prices start as low as $1,895 at the factory."

This would doubtless appeal to the hero of that well-known ditty, of which it is said:

"He went to the funeral, but just for the ride—just for the ride—just for the ride."

• • •

IN THE past few weeks religious publications throughout the continent have sprung to the aid of the United States "Churchman," an Episcopal fortnightly, one of the oldest religious journals published in English and edited by Guy Emery Shipler.

The reason: Because after a long delay, a supreme court jury in Manhattan has found Dr. Shipler and his fortnightly, jointly guilty of libel, assessed them $10,000 for punitive damages, $200 for actual damages.

Canadian interest in the matter centres around the fact that the fine has been imposed because of an editorial written about the Famous Players "combine" case in Toronto, and which the editor mistook for a criminal charge against various leading U. S. movie magnates. Actually, the persons mentioned had not been indicted in Ontario but merely mentioned in an indictment brought against others at the time of the Federal Combines Investigation Act into the movie industry.

Despite a retraction, the publication was sued for libel by Gabriel Hess, general counsel for the Hays organization, which for years has been a target of the Churchman's attacks.

A fund in defense of the "Churchman" to meet this impost is being raised.

Sayings of the Week

"America needs simplified banking."—*Henry Ford.*

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"The economic system of Communism is exactly that of the penitentiary." — *Stephen Leacock.*

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"Without a system of checks and balances based on a prescribed set of rules popular government might be perverted into mob rule."—*Jouett Shouse.*

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"I don't believe that we should take away the profit motive. I do believe that we should put more into wages and less into profits." — *William Allen White.*

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"When women's dresses are of such a style that they take only four yards instead of six, a third of the textile workers are thrown out of their jobs."—*Andre Maurois.*

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"It is not restoring the price level that will save the world; what is required is confidence, the revival of international trade, and the re-employment of the population."—*Prof. T. E. Gregory.*

• • •

"Mathematical redistribution of wealth cannot do the trick under the present economic system. The money would be right back where it started from within a very short time."—*Fiorello H. La Guardia.*

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"The conflict at present in the United States is between public opinion and public emotion, between reason and hysteria, between faith and fear."—*C. W. Ackerman, dean of the Columbia Graduate School of Journalism.*

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"It is not the fast tempo of modern life that kills, but the boredom, a lack of strong interest and failure to grow that destroy. It is the feeling that nothing is worth while that makes men unhappy."—*Dr. Harold Willis Dodds.*

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"Women do 85 per cent of the retail buying of the United States and pay taxes on about 43 per cent of the nation's wealth."—*Mrs. G. M. Bowman, president of the National Federation of Business and Professional Women's Clubs.*

• • •

"An age, like a man, can have an inferiority complex, or instead of keeping to its path of duty and service can be introspective and even morbidly fidgety about its health. We do a lot of pulling ourselves up by the roots to see how we are growing."—*Sir Josiah Stamp.*

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"The whole secret of economic stability depends upon a useful day's work for a proper day's pay."—*Henry Ford.*

• • •

"Nobody can check progress when it is ready to move, but nobody can force progress ahead, either."—*David Sarnoff.*

• • •

"The rights of property have been the most highly prized privileges of mankind, next only, perhaps, to personal liberty."—*Jouett Shouse.*

The American Scene

Opposition

Congress Balks as Roosevelt Pushes Radical Legislation

By DR. GAINES T. CARTINHOUR
New York Correspondent, The Financial Post

NEW YORK.—The spirit of opposition in Congressional circles which is seriously hampering President Roosevelt's "must" programme is attracting as much attention in the United States as the overwhelming provincial victories of the Liberals in Canada. For the first time since the Democrats were swept into power there are signs of dissension within the party. It is this condition alone which is interfering with the smooth functioning of the Democratic majority in Congress and causing practically all political commentators to predict the present session will run until Labor Day.

"Must" Legislation

The President is insisting upon the prompt enactment of the banking, tax, coal, public utility, Tennessee Valley Authority amendment, transportation, social security, and gold-clause ban bills. He refuses to be influenced by many advisers who believe there should not be such insistence on reform before recovery. Many of the problems which appear acute at the present time would to a large extent be solved, it is said, if business is allowed to go ahead in the usual way without fear of restrictive legislation. It is only natural that business executives hesitate to start the usual expansion and remodelling plans and expenditures under these circumstances.

Opposition Develops

The most controversial of the lot are the banking, utility, and tax measures. As indicated in the last dispatch to The Post, recent amendments to the banking bill have been made and after passing the House are now being taken up in the Senate. When first introduced it provided for such a political set-up for the Federal Reserve Board there was tremendous opposition. The new mood of Congress showed itself and radical amendments were made. Another recent demonstration of independence was shown in connection with the public utility measure, when reorganization or dissolution of holding companies except those "in the first degree" was voted down. This brought forth a charge of lobbying and enormous expenditures by utilities to defeat the bill and resulted in the present investigation into this situation. It also very unreasonably clamps Federal regulation on operating companies which already are subject to State regulation. If it passes many of the provisions will soon find their way into the courts, and until the latter decide the issues involved the uncertainty which now prevents the industry from normal expansion may be expected to continue.

Tax Bill

The tax bill is the centre of a bitter debate. In spite of strong opposition against the graduated corporation income tax provision the President is said to be firmly insistent that it be included in any tax measure passed during the present session. Opponents now claim that in addition to not bringing in any substantial amount of money for some time to come it would not distribute wealth and is aimed primarily to tax the income of large corporations. Congress does not seem to want to rush this measure through believing that a mature plan cannot be evolved in a few weeks. It favors setting up a committee to study the whole problem and report at the next session. There is widespread belief that some sort of a wealth tax should be passed which would cut deeply into large fortunes and incomes, but the new mood of this body resents being "rushed" regarding such revolutionary measures. It is quite obvious that the Presidential attitude is largely responsible for this unwise prolongation of an unusually busy session.

There is more and more doubt that the Guffy Coal Bill providing for a "little N.R.A." for the soft coal industry might not be passed. It is said to be unconstitutional and would doubtless run into legal difficulties. This bill has been laid aside for the time being by the House of Representatives Ways and Means Committee while the tax problem is being discussed. The Wagner Labor Disputes Bill has now been signed by the President and is effective in spite of charges that it threatens widespread strife in industry and will not safeguard employees' rights to self organization and collective bargaining.

Rough Sailing for Social Bills

The social security measure granting old age benefits and setting up a system of unemployment insurance in co-operation with the States has had rough sailing. Careful consideration of the measure indicates the staggering costs which would be imposed not at the beginning but in the course of a few years. Total costs would amount to about $400,000,000 next year, but by 1939 would be five times this amount and approximate $4,000,000,000 annually by 1950. The Senate will very shortly indicate whether it supports or opposes an amendment providing for private pension plans handled by employers. The House has already defeated the amendment, which would jeopardise the operation of the entire law. An enormous task would confront the proposed Social Security Board if private pension plans were permitted.

The T.V.A. amendment is aimed to enlarge the powers of this body but will likely cause bitter controversy. It is closely tied up with the utility measure and may be another cause of bad feeling between the White House and Congress. The amendments to the Agricultural Adjustment Act, necessitated by the Supreme Court's implied definition of interstate commerce in the famous N.R.A. Schechter case, have passed the Senate and the administration hopes they will protect it against legal attacks and at the same time permit extension of the farm programme.

Senatorial permission to permit suits to recover processing taxes has been given and wisely so. Any attempt to prevent citizens having access to the courts (thus permitting the Government to bar suits against itself) would be dangerous and unwise. It would only add to the lack of confidence in an administration which has suffered repeated adverse court decisions. The latter have and are threatening disintegration of what is left of the so-called recovery programme. It is quite likely that the action on processing taxes presages the defeat of the gold-clause ban bill.

Inflation Measures

Two inflationary measures which are causing much trouble are the Patman Bonus Bill and the Frazier-Lemke measure. The former would pay over $2,000,000 to veterans through issuing "greenbacks," while the latter calls for an issue of $3,000,000,000 real estate bonds that would be taken over by the Federal Reserve Board for cash (if not subscribed for by the public) and the proceeds used to take up farm mortgages. The two groups sponsoring these measures are not identical but even so can make considerable trouble. The lobby which was ready to stop pushing the veteran's bonus for the time being has taken advantage of the extended session and opened up again as well as the group working for organized labor.

The machinery of the House of Representatives is so set-up that bills can be put through easier than in the Senate where debate can be limited only under extraordinary circumstances. This means that many so-called "must" bills will be held up in the Senate and the only satisfactory solution to the problem is for the President to revise his legislative programme in order to bring it within manageable proportions. Strong arm tactics will not be as successful as during the early months of the New Deal administration.

As Others See Us

Trend Should Not Be Halted
St. Catharines Standard

The Financial Post this week publishes a news story with the following introduction:

"Wealthy United States investment trusts, corporations and industrials are understood to be accumulating Canadian securities. . . . .

"At the moment political uncertainties have caused a halt of the inward flow of funds. . . . ."

Certain it is that the trend noted in the foregoing should not come to a halt because of any radical swing to the left by the electors of Canada this year.

Canada as a young country needs all the foreign money it can get if the development of resources is to keep on apace.

Investment of Amercan money in Canada enterprise is about the soundest sort of promotion of employment that can be visualized. This money would not flow across the border if there were any threat of confiscation.

Much invective is being hurled at the heads of the capitalists in both the United States and Canada. But if a million of new capital were to come into St. Catharines tomorrow in the form of a big new industry to employ 1,000 workers, most people would go out and welcome it with a brass band.

It is because Canadians are considered level-headed and not given to rash experiment that American wealth is directed to this country.

It will be well if there is no departure from such good opinion in the general election results.

Mr. Stevens's New Party
The Maritime Merchant

It is no doubt a matter of interest to storekeepers who hailed Hon. H. H. Stevens as a champion of their cause, that he has announced his intention to set up a new party committed to a policy of a full measure of government control of business and to campaign for the premiership at the head of that party. The plunge he has made has given rise to much speculation as to his probable success and the effect of his step on the fortunes of the other parties. "No doubt there are plenty of people to whom Mr. Stevens can look for support," one independent paper says, "but whether they will support him in view of the object-lesson of the near-disaster to which Mr. Roosevelt's radicalism has brought the United States, is another matter." Another journal, not in any way interested in party matters, considers that Mr. Stevens by his action has committed political suicide; that not only has he no chance of waging a successful campaign, but will surely forfeit completely the goodwill of the party with whose fortunes he has hitherto been identified.

It is true that the country has been tremendously interested in the Price Spreads enquiry, and its legislative sequelae but the electors generally are probably steady enough to know that it is best to make haste slowly in connection with departures from the established ways of doing things. They will probably think it better to observe the success of the steps so far taken along the line of "new dealism" and perfect this instrument of national welfare as experience suggests, rather than plunge too deeply at once into new ways. It has been disappointing to storekeepers that their own hopes have not been fully realized in the price spreads legislation as enacted. Will he be able to help them any better now as the leader of a new party than in his former capacity as a member of one of the big parties?

Stop Me If You've Heard This One

Sandy joined a golf club and was told by the professional that if his name was on his golf balls and they were lost, they would be returned to him when found.

"Good," said the Scot. "Put my name on this ball."

The "pro" did so.

"Would you also put M.D. after it?" said the new member, "I'm a doctor."

The "pro" obeyed.

"There's just one more thing," went on the Scot. "Can ye squeeze 'hours 10 to 3,' on as well?"

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TORONTO MONTREAL

Maritime Provinces Make Best Gain in Business

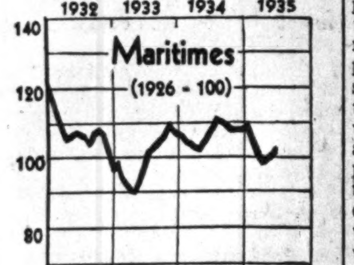
British Columbia Also Shows Advance — Other Economic Areas Show Dip in June

The only marked change during June in the business indexes of the five economic areas was for the Maritimes, where a gain of close to 4.5 per cent was shown over May. The steady, moderate advance in British Columbia was continued.

Business activity slackened slightly in Quebec and the Prairie Provinces.

Construction contracts increased in eastern areas and building permits were up from Ontario westward. Electric power production gained in the Maritimes and Ontario. Adjusted employment was the same or better in each of the areas except the Prairie Provinces. Sales of life insurance increased in all areas except the Maritimes. Bank debits were lower in the areas where speculation occupies an important place.

Maritimes.—Business activity in the Maritimes has shown a sharp comeback in the last two months, offsetting in part the disconcerting decline of the early part of the year.

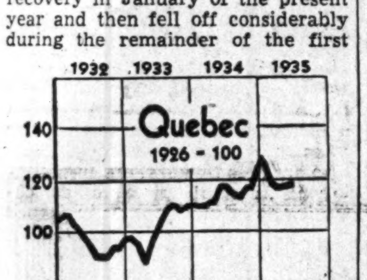


Of the eight available factors, five showed gains in June over the preceding month, most of them of considerable proportions.

The power industry stepped up production, recording a gain of nearly 10 per cent after all adjustments. The gain in bank debts was no less than 21 per cent. Industrial employment was more active, even after seasonal adjustment the index being 100.9 against 100.4. Construction contracts were at a high level in June, but the gain in building permits was less than normal for the season. Sales of life insurance and merchandise exports were reactionary factors. The adjusted imports were up about 20 per cent.

The index for the Maritimes was 104.9 in June against 100.3 in the preceding month.

Quebec. — Business activity in Quebec reached a maximum on the recovery in January of the present year and then fell off considerably during the remainder of the first

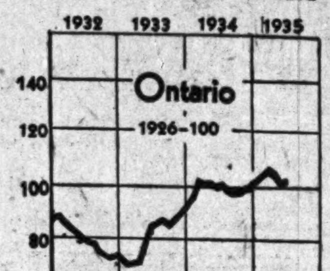


quarter. The position since that time has been practically maintained without important fluctuation in either direction.

An encouraging factor was the gain during June of 1 per cent in the adjusted index of employment. The standing on this basis was 91.9 against 91.0. The index of electric power production declined from 266.9 to 256.2. Bank debits were somewhat lower, while sales of life insurance gained 3 per cent. Imports of raw cotton recovered in June to the extent of 26 per cent, while moderate declines were shown in the operation of the newsprint and boot and shoe industries.

The index for Quebec receded from 119.1 in May to 118.6 in June.

Ontario.—The recession of the second quarter in Ontario tended to

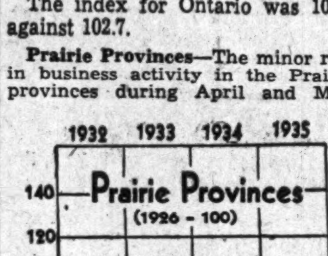


offset the fine showing of the first. Business activity in the province is consequently somewhat below the peak reached in March of this year.

Five factors of the nine used here recorded advances in June, and employment was maintained after seasonal adjustment. The construction industry made a better showing with gains in the award of contracts and building permits. Electric power production expanded, the gain in the index being 2.4 per cent. Bank debits showed moderate decline while the sales of life insurance were up nearly 14 per cent. Live stock slaughterings dropped off from May. A gain of nearly three per cent was shown in steel production while the output of motor cars declined more than the seasonal allotment.

The index for Ontario was 103.4 against 102.7.

Prairie Provinces—The minor rise in business activity in the Prairie provinces during April and May



was not continued in June. Declines predominated showing the current trend.

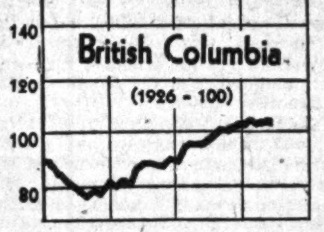
The index of the electric output dropped off from 207.1 to 197.4. Adjusted employment receded a trifle, and a sharp decline was recorded in bank debits. The index of the sales of life insurance was 43.0 against 40.4. A gain of six per cent was shown in wheat receipts at country elevators. The average cash price of No. 1 Manitoba Northern wheat was 81.7 cents compared with 85.7, the decline being greater than normally occurs at this season.

The index for the Prairie provinces was 105.7 against 106.0 in May.

British Columbia.—The slow but persistent recovery of British Columbia going on since the latter part of 1932 was again in evidence during June.

The gain in employment and in financial factors were the mainstay of the business situation in June. The adjusted index of employment was 95.3 against 94.2, the gain of 1.2 per cent being a sign of encouragement. Bank debits were up 0.8 per cent, sales of insurance showing a gain of no less than 20 per cent.

The index of electric power production dropped from 183.4 to 177.7.



Trade through British Columbia ports reacted in June and tonnage of vessels leaving Vancouver was at a lower level.

The net result was a gain in the index from 104.6 to 104.9.

Trend of Business In 5 Economic Areas

Business Indicators in Economic Areas

		June, 1935	June, 1934	May, 1935	June '35 total as % of June '34 %
Maritimes:					
Construction contracts	$	3,447,000	716,000	1,987,000	481.4
Building permits	$	154,000	165,000	153,000	93.3
Life insurance sales	$ 000's	1,762	2,014	1,639	87.5
Bank debits	$ 000,000's	52.6	42.6	47.5	123.5
Electric power	kw.h. 000's	57,871	56,933	57,830	101.6
Employment	1926 = 100	106.7	100.4	101.6	106.3
Tonnage of vessels, cleared		......	409,534	304,568	....
Exports	$	4,796,950	6,140,571	7,678,779	78.1
Imports	$	2,548,959	2,610,775	2,348,495	97.6
Index		104.9	108.2	100.3	97.0
Quebec:					
Construction contracts	$	3,935,000	2,377,000	2,418,000	165.5
Building permits	$	1,497,000	492,000	1,688,000	304.3
Life insurance sales	$ 000's	9,020	10,712	8,195	84.2
Bank debits	$ 000,000's	80.6	78.6	85.8	102.5
Electric power	kw.h. 000's	982,233	963,547	1,061,757	101.9
Employment	1926 = 100	94.8	94.1	93.8	100.7
Imports of raw cotton	lb.	7,397,290	13,415,388	6,316,015	55.1
Newsprint production	tons	232,020	229,640	242,693	101.0
Index		118.6	119.8	119.1	99.0
Ontario:					
Construction contracts	$	8,137,000	8,167,000	6,166,000	99.6
Building permits	$	2,339,000	1,317,000	2,152,000	177.6
Life insurance sales	$ 000's	14,559	13,065	11,974	111.4
Bank debits	$ 000,000's	1,264	1,116	1,360	113.2
Electric power	kw.h. 000's	530,315	468,349	535,894	113.2
Employment	1926 = 100	102.7	109.9	101.6	93.4
Livestock slaughterings	1926 = 100	117.5	125.6	129.3	93.6
Steel production	tons	13,450	64,010	72,811	114.7
Automobile production	No.	15,745	13,905	20,765	113.2
Index		102.7	100.3	103.4	102.4
Prairie Provinces:					
Construction contracts	$	1,347,000	585,000	2,644,000	230.3
Building permits	$	541,000	193,000	499,000	280.3
Life insurance sales	$ 000's	4,230	4,131	3,497	102.4
Bank debits	$ 000,000's	45.1	52.8	73.0	85.4
Electric power	kw.h. 000's	97,157	78,133	113,655	124.3
Employment	1926 = 100	96.3	94.1	92.2	102.3
Wheat receipts	bush.	9,334,000	12,314,000	5,626,000	75.8
Wheat prices	$ per bush.	.817	.771	.857	106.0
Index		105.7	101.6	106.0	104.0
British Columbia:					
Construction contracts	$	1,656,000	365,000	3,087,000	453.7
Building permits	$	586,000	197,000	307,000	297.5
Life insurance sales	$ 000's	2,239	2,133	1,836	105.0
Bank debits	$ 000,000's	136.5	129.2	136.7	106.0
Electric power	kw.h. 000's	120,469	114,975	126,985	104.8
Employment	1926 = 100	99.5	94.1	96.6	105.7
Imports	$	3,430,000	3,273,000	4,205,408	104.8
Exports	$	8,923,000	7,466,000	13,442,444	119.5
Tonnage of vessels, cleared		864,972	1,013,000	945,453	85.4
Index		104.9	97.1	104.6	108.0

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The Week in Business

Tradespeople Busier

RETAIL sales figures are always late in appearing from Ottawa, but employment returns from retail employers show substantial improvement as at July 1, compared with a year ago. Wholesale trades were also more active.

In both groups the gain was considerably better than seasonal and was the best for that date since July 1, 1931. The gain was very marked in all areas except the Maritime provinces. Measured by employment figures, retail and wholesale trade has been between 3 and 4 per cent better during the first six months of the year than in 1934.

• • •

Good Time Lost

TIME lost by Canadian employees as a result of strikes or lockouts, took a big jump in June according to the current issue of the Labor Gazette. Though only 14 disputes were involved and the number of employees dropped 200 to just under the 5,000 mark, the time lost in working days during the month was over 57,000 against 32,000 the previous month.

Reason given was the strike of longshoremen at Vancouver, B.C., and the sympathetic strike of other water transport workers in that district. The strike of loggers in the Nipigon district of Ontario was also a factor, while salmon fishermen in the Gulf of Georgia and gold miners in the Cariboo district of B. C. were also important.

In June of last year, 24 disputes involving over 3,000 employees developed a time loss of about 32,000 working days due largely to the strike of metal miners at Flin Flon, Manitoba.

• • •

Coffee Men Lose Sleep

IT WILL cost $1 million a year in advertising, but the Associated Coffee Industries of America will pay the price, for people must realize that coffee does not keep one awake. Leaders in the industry have had a figurative loss of sleep because of the declining coffee consumption.

Competition from other beverages is the biggest single factor why consumption is only one and a half cups per day per capita in the United States. The new campaign, financed by a voluntary assessment of 10 cents a bag on imported coffee, will attempt to do three things. (1) Counteract anti-coffee beliefs and propaganda. (2) Educate drinkers how to brew coffee. (3) Give the romance of coffee.

Background of Business

Profit Protection

Manufacturers Select Dealers—Jap Goods, Hardware Changes

Following a few hectic years of price slashing and irregular practices in merchandising, an increasing number of manufacturers are adopting a policy of confining their sales to selected outlets. Through these they hope for better control of their product as it proceeds to the consumer. The great body of retailers have been demanding more in the way of price protection. Certain manufacturers have seen in this an opportunity to appeal to them and secure their support by protecting profit margin.

A great many lines of merchandise have got into irregular channels of distribution in the last few years. In Canada a great many junk yards and second hand metal dealers have been selling quantities of new plumbing and heating equipment at prices lower than are available through the regular channels of trade. Manufacturers generally have denied selling to these people direct. But it is obvious they have secured supplies through some one or other of the many wholesalers operating in the territory. The same thing has applied in a greater or less extent, to many other lines.

Within the past few weeks a number of prominent manufacturers have adopted the policy of selling only through selected wholesalers who act as sales representatives for them. In announcing the change of policy, one company has issued the following statement:

Real Effort

"We ask the co-operation of the trade in our endeavor to afford retailers a fair margin of profit on our merchandise. To better control the movement of our goods through the channels of trade, we have repurchased from our wholesalers their entire stock of our line. We have selected a list of wholesalers covering the entire country whom we have created factors or sales representatives for these products. We are acting with the utmost sincerity in this effort, and it is our intention to employ any legal means necessary to accomplish the sought for result."

Jap Goods Unaffected

An interesting sidelight on the Canada-Japanese trade situation is brought to light by the lack of concern on the part of many importers over tariffs recently imposed against Japanese goods. In many instances it is reported that Japanese prices are so low that a percentage of ad valorem duty will not seriously affect the sale of the article concerned in this country.

"For example," one importer is quoted, "there are cups and saucers from Japan which retail at 5 cents complete and cost us 3 cents (1½ cents landed in Vancouver and 1½ cents freight). The 1½ cents cost in Vancouver included manufacturer's cost, freight from Japan to Vancouver and profit for the wholesaler, plus 100 per cent duty—ad valorem plus dumping duty. The additional 33 1/3 per cent recently added will not amount to much."

Hardware Price Changes

Firmness in metal markets and weakness in the oils have caused changes in the price structure in hardware lines, according to Hardware and Metal, Toronto. Brass and copper wire, sheets, rods and tubing in Canada have advanced. Some padlocks have been raised in price, and certain food choppers are increased, while others are lowered in a revised price list issued this month.

Some wholesale hardware firms in Ontario have made a substantial reduction in their trade price on turpentine while others are waiting. This condition has created a spread of six cents a gallon between prices quoted on turpentine in Toronto. In some territories linseed oil has been slightly easier.

Wholesalers report lowering prices on one make of straight razor, and are quoting lower booking prices for fall on cattle chains. A new schedule of list prices on hickory handles, brings into effect, from July 15, some reductions in the price of better grade handles.

Rural Tastes Higher

In rural areas, where general business has been reported much improved this year, another significant trend is noted. Firms selling farm equipment and supplies indicate that purchases by farmers in 1935 are in better grades of merchandise than has been the case for three or four years. Wholesalers who stocked up in lower-priced lines, which were good sellers in 1933 and 1934, are finding these now moving much more slowly and the demand more concentrated on higher quality goods.

Stove Campaign Lacks Push

The three months range selling campaign inaugurated by the Hydro-Electric Power Commission of Ontario, it is believed, would have been a greater success if it had had the enthusiastic co-operation of all the municipal hydro commissions. The provincial body is given credit for the thoroughness of its advance plans for this campaign. The hardware trade was enthusiastic over the possibilities. Indifference on the part of local hydro commissioners in various municipalities, it is claimed, was the weak spot of the whole programme. Certain electric range manufacturers state there is too much of the engineering and too little of the aggressive merchandising slant among the municipal Hydro officials throughout the province.

Push Modernization

A promotional programme has been drafted by the Canadian Institute of Plumbing and Heating, comprising leading manufacturers and wholesalers of plumbing and heating equipment. The programme covers the period between now and 1937. It provides for a steadily-increasing expenditure upon publicity, and lectures in the interests of sanitation and for surveys of housing conditions so as to concentrate attention on the most likely districts.

One phase of the plan is to endeavor to secure a broadening of the application of the Canadian Housing Act, along somewhat similar lines to the F.H.A. of the United States, so that it will provide for loans for modernization work. The draft programme of the Institute provides for "interviewing loan companies for loan conditions applicable to renovation contracts, similar to those granted for new residences under the Housing Act." Another part of the programme provides for influence being brought to bear on the government "for amendments to the present Housing Act, to include, for government subsidy, renovation and modernization contracts."

It is planned to extend the urban renovation campaigns in Montreal and Toronto to older institutions such as schools, convents, hospitals, older hotels, etc.

Business Indicators

Transportation—The trend of carloadings on Canadian railways during 1935 has been running hand in hand with its counterpart of a year ago. For the last three months the two lines have been almost on top of one another. But apparently the business is not as profitable to railways as a year ago for net earnings on both lines to the end of June are substantially below 1934 level.

Incidentally it looks as if C.N.R. is having the best of the volume argument, so far, in that gross earnings of the National line are currently about $1 million ahead of last year, while Canadian Pacific is $1 million lower than a year ago. C.P. is still far out in front on the basis of net earnings, however.

Electric Power—June output tailed off from the peak of the previous month but the interesting thing is that when exports to the United States, and sales of secondary power (deliveries to electric boilers) are excluded, the adjusted index shows output in Canada for industrial and commercial needs at the second highest point in power history and only a fraction under the May total.

Leading Indicators as Compiled by The Financial Post

†Denotes new figures this week.

	WEEKLY DATA — Latest 1935	1934	Cumulative Total Jan. 1 to date 1935	1934
Transportation—				
Car loadings (July 20)	†45,294	44,751	1,244,782	1,224,901
C.P.R. gross earn. (July 21)	$ †2,428,000	$ 2,510,000	$ 63,820,000	$ 64,492,000
C.N.R. gross earn. (July 21)	$ †3,373,644	$ 3,188,785	$ 89,894,912	$ 88,996,139
Business Conditions—				
Weekly index D.B.S. (July 20)	†99.7	94.8	......	......
	MONTHLY DATA 1935	**1934**	**1935**	**1934**
Business Conditions—				
Financial post index (June)‡	100.8	97.4	......	......
Transportation—				
C.P.R. net earnings (June)	$ †1,403,812	$ 1,755,579	$ 6,062,018	$ 8,054,412
C.N.R. net revenue (June)	$ †494,332	$ 988,293	$ 2,179,065	$ 4,378,541
Iron and Steel (June)—				
Pig iron production (tons)	44,555	37,306	259,777	157,827
Steel ingots and castings prod., (tons)	73,450	64,013	388,163	397,522
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (June)	†9,606	8,486	56,733	44,100
Factory output (June)	12,276	10,810	90,327	67,084
Trucks and Buses:				
Domestic sales* (June)	†2,031	1,639	11,004	6,759
Factory output (June)	3,469	3,095	20,939	14,900
Exports (June)	4,873	5,298	33,578	23,911
Construction—				
Building permits (June)	$ 5,117,066	$ 2,411,460	$ 24,629,071	$ 10,411,377
Contracts awarded (June)	$ 18,521,400	$ 12,206,900	$ 75,594,500	$ 60,916,700
Newsprint (tons)				
Production (June)	232,020	229,637	1,284,903	1,261,633
Exports (May)	239,880	207,070	936,333	923,281
Sugar (lb.)				
Melting & shipments§	†91,171,100	82,544,198	382,273,000	321,755,074
Manufactured§	†89,875,627	83,543,766	384,367,736	316,407,023
Flour (bbls.)				
Production (May)	1,164,322	1,175,433	5,142,549	5,472,776
Wheat flour exports (June)	429,561	441,064	2,242,965	2,533,611
Trade (June)—				
Imports	$ 46,738,689	$ 46,185,892	$ 260,387,393	$ 247,389,850
Exports	$ 51,869,189	$ 58,045,528	$ 300,265,149	$ 289,659,061
Wheat exports (bush.) (June)	6,494,622	18,425,033	45,005,521	64,721,344
Employment, D.B.S. Index—				
All industries (July 1)	†99.5	101.0	......	......
Manufacturing	†96.5	93.8	......	......
Electric Power Output (June)—				
Total monthly (000's omitted)	†1,815,912	1,706,632	11,379,753	10,374,384
Aver. daily	†60,530,000	56,954,000	......	......
Other Industrial Indices—				
Lumbering:				
Plank & Board exports, mill (June)	†129,800	123,730	587,165	627,659
Boot & shoe prod., pr. (May)	2,032,751	1,884,996	8,907,936	7,580,843
Crude petrol., imp. gal., (June)	†131,873,166	114,880,249	442,622,733	428,154,963
Cotton imports, lb., (June)	†7,397,290	13,415,388	51,051,859	72,624,145
Raw rubber imp., lb. (June)	†3,215,286	4,946,790	29,939,767	30,980,164
Coal imports, tons (June)	†1,506,196	1,532,375	5,145,986	5,200,922
Finance—				
Bank debits† (June)	$ †2,710,311	$ 2,602,126	$ 15,216,136	$ 15,442,712
Bond sales (June)	$ †62,687,685	$ 9,343,724	$ 281,042,341	$ 190,182,059
Life insurance sales (June)	$ 32,112,000	$ 32,277,000	$ 181,557,000	$ 188,085,000
Automobile Financing—				
Used cars (June)	$ †2,286,465	$ 1,797,387	$ 11,472,586	$ 7,010,972
New cars (June)	$ †2,669,173	$ 2,469,198	$ 14,132,586	$ 9,639,974

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to July 13. ‡Preliminary.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$6.75	$6.55	$5.75
Hogs	10.40	9.60	9.95
Copper, lb.	.08	.08	.09
Cotton, lb.	.1215	.1220	.13
Rubber, lb.	.1181	.1194	.1437
Sugar, raw, lb.	.0320	.0320	.0378
Silk, lb.	1.59	1.51	1.15
Wheat (Man.) bus.	.85⅛	.80⅝	.87¾
Coffee, lb.	.06⅜	.06¾	.09¼
Weekly Indices			
N. Y. Annalist	123.6	123.0	114.5
Fishers'	82.6	81.7	77.8
N. Y. Journal of Comm.	79.0	78.7	76.3
Crumps (Brit.)	64.6	64.2	64.5
U. S. Labor	79.2	79.1	74.5
Canada (D.B.S.)	71.4	71.2	72.3

Monthly Indices	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.)			
Retail (June)	78.7	78.7	78.0
W'sale (June)	71.5	72.3	72.0
U. S. Labor (May)	80.2	80.1	73.7
Gt. Brit. (May)	68.6	66.7	65.4

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: sugar — 96 degrees centrifugal c/f New York: wheat—No. 1 Man North., Ft. W. Pt. A. basis: hides—heavy native steers: select bacons, Toronto.

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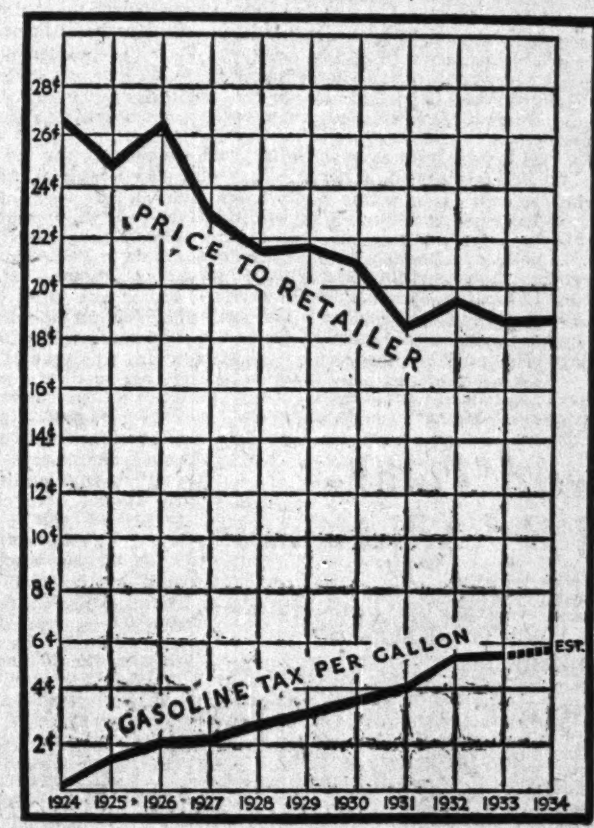

The accompanying chart shows how the price of gasoline to the retailer has decreased and the gasoline tax has increased since 1924. In 1924 the average price to the retailer of all gasoline sold in Canada was 26.6 cents per gallon. Since 1924, the price has fallen almost continuously until in 1933 and 1934 it stood at the unprecedented low of 18.8 cents—a decrease of 29 per cent. But as the price of gasoline fell, the tax on gasoline rose. The data for this graph are based on figures published by the Dominion Bureau of Statistics.

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Strawberry Shipments

British Columbia has shipped this season to mid-July 137 cars of strawberries to prairie centres and 265 tons of berries to the British market, while a lot of the crop has also been handled by the local canneries.

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Are Brewers Buying Hotels?

Denial by Brewing Companies and Liquor Control Board but Rumors Persist that Control Being Secured by Unofficial Means

Are Canadian brewers getting control of the Ontario hotel business?

In the old days, before prohibition was more than a dream many hostelries were either owned outright or controlled by the big brewery companies. And incidentally the beer sold by these hotels came from the plant of the interested owner.

The plan was not originated in Canada. In United States it had been flourishing for years while recent investigations in Great Britain disclose a large proportion of public houses owned by the brewers.

New and rather similarly furnished hotels springing up in this post-prohibition era in Ontario have given rise to the rumor that the policy of retail control of beer outlets is being revived.

Rumors Denied

Both officials of brewing companies and the Liquor Control Board of Ontario, however, deny the charge. They state definitely that brewing companies are not going into the hotel business.

That would be an illegal operation, it is stated, and it would be no less illegal if the same result were gained by means of subsidiary companies doing the buying or outfitting of licensed premises.

Yet contrary reports are persistent. Large brewery companies, it is said, are effecting such purchases or getting control in other ways by lending money to licensees for outfitting if they agree to give certain products first place.

Money Available

Some hotel keepers have intimated quite frankly that if they have no money available to get started in the business of catering to Ontario's thirsty, then it is not a difficult thing to arrange for some. The matter of a license, provided the hotel is to be located in what was wet territory in pre-prohibition days, does not offer insurmountable difficulties. That done, credit for furnishing can be arranged. In some quarters it is also claimed credit for beer is also forthcoming although this practice is said to have been frowned upon in recent weeks.

Brewery officials have candidly admitted, though not always for publication, that present conditions are not altogether satisfactory. Overkeen competition is blamed for unofficial price cutting in the way of free freight on long distance shipments or excessive and expensive small deliveries.

Draught Beer

The growing importance of draught beer, through which sale the identity or brand of the manufacturer is lost has further complicated the situation and made it more desirable for some control of the retail outlet by the original producer. Such control, it is said, may be gained by unofficial loans, or credit, the same to be guaranteed by an unofficial agreement that all purchases of beer be made from the one brewer.

Quebec Competition

It is even alleged that the Quebec companies are countering the efforts of the Ontario companies along this line by a subsidiary hotel-buying or financing organization of their own. The idea is that the large brewing companies are trying to get a cinch on a large proportion of the beer business of the province by this means as the flour milling companies of a decade ago tried to ensure an outlet for their goods by purchasing control of the principal bakery chains in Canada.

No Single Case Found

"Yes, we have heard these stories and have heard direct allegations that such practices are being followed," said a Control board official. "Our inspectors are continually on the job and we have tried to run down every such story that was circumstantial but we have not found a single case where the law is being disobeyed."

The Financial Post asked: "Have you checked to see if some capitalists heavily interested in brewing company stock have not also stock in a company which is building, refitting, remodelling or financing hotel premises or which owns or has leased licensed premises?" he was asked.

"No, not officially. That would not be illegal. There is no way I know of by which you can prevent the shareholder of one company buying shares in another. That does not create any corporate connection between the two companies although it would cause us to be on the qui vive to see that none of our regulations was contravened."

Did Have Some Hotels

A large part of the talk about brewery companies buying up hotels or financing licensees has arisen from the fact that O'Keefe's Brewing Company controlled four hotels when its assets were bought by Brewing Corp.

These hotels have since then been sold to Mohawk Investments as the liquor authorities required such sale. It was an outright sale and doubtless some of the shareholders are very friendly to Brewing Corp. and some of them undoubtedly held Brewing Corp. shares. But Brewing Corp. itself, officials of the latter company state, has not a single share.

This was not the only case. Cosgrave Estates had two hotels and the Kuntz estates had quite a number. Because of the similarity of names to the old brewing companies these companies were advised to get rid of their hotels as soon as possible.

A Loophole

Asked if some sort of effective organizations might not be effected to buy or finance hotels under the aegis of the principals of rival brewing companies and yet without corporate connection, officials admit that it is a possible thing to effect as the law and regulations are now stated. But Government officials think, however, it has not been done. If it does develop to proportions which would indicate that the law was being observed in the letter and evaded in the spirit, the whole question of regulations of this kind would be reconsidered.

Regulation 81 passed pursuant to the Liquor Control Act states that a standard hotel license may be issued only to a person of good character over the age of 21 years or to a corporation. In the latter case the manager must be of good character. Licenses are renewed on November 1 of each year and applications for each renewal must be in by October 1.

Held Under Good Behavior

That is the great hold which the board has in determining the character and conduct of vendor and of premises. If complaints are numerous and inspectors find on enquiry that they are well founded, a licensee is apt to lose his license and he has no recourse. The assumption is that he is going to be good while this sword of Damocles hangs over his head.

Licensed Premises, 1,513

At November 1, 1934, there were approximately 1,050 hotels selling beer in Ontario. At the end of July, 1935, this number had been increased by almost 15 per cent. Most of this gain was in small new hotels in the larger cities, which development, it is believed, has given rise to the present rumors of brewery control.

The licensed premises in Ontario, in addition to more than 200 outlets of the Board itself, are as follows:

Licenses Issued

	Nov. 1, 1934	July 31, 1935
Hotels	1,053	1,195
Social clubs	173	142
Veterans' clubs		90
Military messes		79
Trains	1	1
Steamships	2	6
Total	1,229	1,513

In a city or town a hotel must have 12 bedrooms. Elsewhere six bedrooms are compulsory. In addition there must be a lobby, dining room, kitchen and all appurtenances of a well-run hotel.

Expensive Outfitting

It is therefore an expensive proceeding to outfit an old hotel or change over other buildings to meet the specifications of the Liquor Control Board. Some have criticized this hotel legislation on the ground that it shoves on the market a great deal of unwanted accommodation for travellers in cities. They say that it competes with the regular hotels for whom renting rooms is the principal revenue and that it also tends to the multiplying of places where rooms can be obtained for "improper" purposes. However, the law is very strict on the point. Every person must register when taking a room and anyone who shares it must also be registered. Penalties are heavy for false registration.

Before building a hotel or converting an existing building into a hotel the owner has to submit to the board a general plan of the establishment and a separate plan for each story including the cellar and ground floor. He has to tell dimensions of every room, type and quality of lighting, heating, water supply, sewerage, ventilation and fire escapes. He must satisfy the Board in all these particulars and also with the hotel name desired before the work starts.

Buys Locally

The Board's policy is to encourage every owner to get needed work done in his own locality where possible. It is desired that each licensee shall enjoy the goodwill of his neighbors and townsmen and do as much of his buying at home as possible. Chairs, tables, wallpaper, furniture of all kinds and building materials and labor can all be obtained locally. Sterilizing and refrigeration equipment may be obtained elsewhere as it is realized that these must be the last word in efficiency.

Soliciting Beer Orders

Complaints that representatives of the large brewing companies have been soliciting business from residents in populous summer resorts have been investigated by the Board. It reports that such salesmen have claimed to represent the brewing companies but that no connection could be traced. The brewing companies repudiate their alleged representatives. Such soliciting is also against the law and officials do not think the brewing companies would take the chance of being caught doing anything contrary to regulations. So far they have found most of the companies to be bending backward in the matter of obeying the law except in some instances at the start.

WAR ON WASTE

THREAT of Premier M. F. Hepburn of Ontario to open from 30 to 50 new provincial savings offices because financial firms did not bid for the last Ontario loan has only resulted in opening of a few offices. To save a wasteful extravagance in the province's heavily unbalanced budget, the expansion movement should be ended forthwith.

In paying 2½ per cent for short term notice deposits, Ontario is losing and wasting money when the province can ill afford to do so. The government can borrow much more cheaply by wholesale disposal of short-term securities. Major avoidable expense is the cost of collecting money piecemeal through expensive offices. Also interest rates could be reduced below 2½ per cent for short term money. The volume of money obtainable would also be greater.

Any form of short term financing, however, is potentially costly to Ontario. At present low rates, every effort should be made to borrow for as long a term as possible to avoid consequences of a possible rise of interest rates within a few years. The savings offices are known to be losers on a conservative accounting basis, even though the province does not issue anything like a proper set of separate accounts for the savings system. Recent policy is adding to the losses unnecessarily. Since the echoes of Mr. Hepburn's tiff with financial interests has died down, his government could well afford to eliminate savings offices waste.

August Dividend Total Altered By Adjustment

Payments to Investors $20.7 Millions This Month—Decrease from 1934 Total Due to Technicalities

Dividend and bond interest payments of $20.7 millions are to be made in August according to declarations, as compiled by The Financial Post. While the total is lower than for the 1934 month, the chief reason is in adjustment of bond interest figures. Several loans which have been redeemed, for instance, are no longer shown as paying interest in August.

Changes in dividend payments include initial dividends of 75 cents a share on Dominion Coal preferred, 50 cents a share on Hudson Bay Mining and Smelting common and one cent a share on Rosedale Mines.

Inter City Baking expands the August total with an interim payment of $1 a share, the first disbursement on the common stock since March, 1932. Ontario Steel is paying $1 a share on the preferred stock to apply against the mounting arrears. Langleys Ltd. is paying $1.75 a share on the preferred stock, as an arrears disbursement. Current dividends, however, are accumulating at the same rate. August payments are summarized by The Post as follows:

Summary of Payments

	1935 $	1934 $
Dividends	4,361,816	4,463,924
Bond interest	16,338,028	17,575,467
Total	20,699,844	22,039,391

Dividend Payments

Company	Rate $	Date	Amount $
Beatty Bros. 1st pf.	1.50q	1	15,547
Belding-Cort., c.	1q	1	7,495
Blue Ribbon, pfd.	50cq	1	14,925
B. C. Tele. 2nd pf.	1.50q	1	67,500
Buffalo-Ankerite	5cq	15	28,865
Calgary Power pf.	1.50q	1	90,000
Can. Bronze	15cq	1	12,000
Do., pref.	1.75q	1	12,600
Can. Converters	50cq	15	8,667
Can. Dredge, pf.	1.75q	1	1,459
Canadian Oil, c.	12½cq	15	17,970
Can. Inv. Fund spc. & ord.	3½c	1	26,990
Champlain Oil, pf.	15cq	15	75,000
Coast Breweries	23cq	1	41,472
Dom. Bridge	30cq	15	154,185
Dom. Coal, pfd.	†75c	10	180,000
Guelph Carpet, p.	1.62½q	1	11,930
Gurd, Chas., pf.	1.75q	15	4,550
Hollinger Mines	5c	12	246,000
Hudson Bay Min.	†50c	31	1,326,963
Humberstone Shoe	50cq	1	10,000
Imperial Bank	2.50q	1	175,000
Inter. C. Baking	‡1	1	21,145
Inter. Nickel, pfd.	1.75q	1	483,486
Inter. Utilities, pf.	87½cq	1	18,027
Do., $3.50, pfd.	43¾cq	1	47,616
Langleys, pref.	▲1.75	15	9,899
Ontario Steel, pfd.	*1	15	3,603
Penmans	75cq	15	48,388
Do., pref.	1.50q	1	16,125
Quebec Power	25cq	15	138,299
Rosedale Mines	†1c	1	12,500
Russell Motor, pf.	1.50q	1	18,000
San Antonio Gold	7c	1	156,191
Shawinigan W. & P.	13cq	15	283,172
Simpsons, pref.	1	1	112,500
Southern Can. Pwr., c.	20cq	15	80,000
St. Law. Flour	50cq	1	6,000
Do., pref.	1.75q	1	10,062
Steel of Can.	43¾cq	1	201,250
Do., pref.	43¾cq	1	113,685
Toburn Gold	2cq	21	37,000
Weston, Geo., pf.	1.75q	1	15,750
Total			4,361,816

†Initial. ‡Interim. *On arrears.
▲For quarter ended Nov. 15, 1933.
q—Quarterly.

BOND INTEREST DUE IN AUGUST

Company:	Rate	Date	Due	Amount $
Canada Bread	6	1	1941	28,212
Canada Foundries	6	2	1942	3,609
Canada Machinery	6	1	1940	4,866
C. Nat. Ry. Eq. 'G.'	5	1	Serial	150,000
Do., Gtd. Gold	5	1	1970	450,000
Do., Gtd Gold	5	1	1954	1,250,000
Do., Gtd. Gold	4½	1	1956	1,575,000
Can. Vickers, A	6	1	1947	75,195
Confed. Amuse.	6½	1	1951	9,733
Dom. Bldg.	6½	1	1942	11,245
Dom. Tel. Secs.	5½	2	1978	23,338
Dryden Paper	6	1	1949	42,585
Ellis Park Apt.	*7	1	1945	9,121
Federal Grain, A	6	1	1949	113,775
Georgetown C. Pap.	6½	1	1947	5,346
Ham. By-Products	7	1	1943	41,559
Holt Renfrew	6½	1	1937	12,853
Lincoln Pulp	7½	1	1942	24,895
Low. St. Law. Pr.	7	1	1947	22,158
Maclaren Que. Pr.	5½	1	1961	330,000
Mtl. Dry Docks	6	1	1948	16,395
Oshawa Bldg.	†6½	1	1943	7,458
Restigouche Co.	6	1	1948	164,619
Shawinigan, C.	5	1	1970	374,500
United Corp., inc.	5	15	1953	112,472
Wood, Alex. & J.	6	1	1944	7,005
Zimmerknit, 1st	6	1	1951	7,500
Do., 2nd mtge.	6	1	1961	15,000
Corporation				4,888,439
Provincial				3,426,177
Municipal				1,701,505
Dominion				6,321,908
Total				16,338,029

*No. 19 due Aug. 1, 1934.
†Due July 1, 1932.

Dom. Stores Completes House Cleaning Work

Company Expects Improvement by Early Autumn

Dominion Stores has completed its house cleaning. Certain unprofitable stores have been weeded out of its big grocery chain. Renovation of profitable outlets has been completed. Inventory has been reduced.

This has been accomplished at a cost in loss of working capital since the end of 1934 of approximately $375,000 leaving a net working capital of over $2.2 millions of which well over two thirds is made up of cash and call loans.

Improvement in Fall?

As a result of this reorganization of the retail end of the business the company anticipates a change in the present trend of lower sales and earnings, after the summer season.

In an official statement covering the first 24 weeks of the current year the company reports sales about $900,000 lower than for the same period in 1934. This is a decrease of about 10 per cent. In comparison with a net profit of approximately $120,000 for the first 26 weeks of 1934 there was a loss in the first 24 weeks this year of $370,000.

Last year's six months net profit, however, was reduced to under $20,000 by the end of the year. The company states that in addition to the usual depreciation written off for the first six months business, almost $50,000 has been charged this year as cost of renovation of the stores.

Renovation

"In the last annual report reference was made to the fact that the company had for two or three years reduced its expenditures on the renovation and improvement of stores to a minimum and in 1934 it was found that this policy was having an adverse effect on the company's business" states W. F. Stewart, vice-president in charge of operations. "In 1934 a programme of renovation and modernization was started. This work has been carried on intensively, and most of it has now been completed but it has resulted in the above mentioned charge ($49,790) to operations, the greater amount of which may be regarded as non-recurring expense.

Cut Inventories

"Inventories which proved to be excessive, in view of the declining volume of business, have been liquidated and contributed materially to the loss of the first fixed period and to the unfavorable results of the last quarter of last year. A thorough house cleaning of stores has been completed. A system of coding merchandise has been installed which will ensure, at all times customers receiving completely fresh merchandise."

Mr. Stewart adds that much educational work has been done in order to improve operating standards, recognition given to long service with the company by the employees and concludes that "after the passing of the summer season which is always the most difficult period of the year as regards volume of business, the company may look for increasing sales and improved earnings.

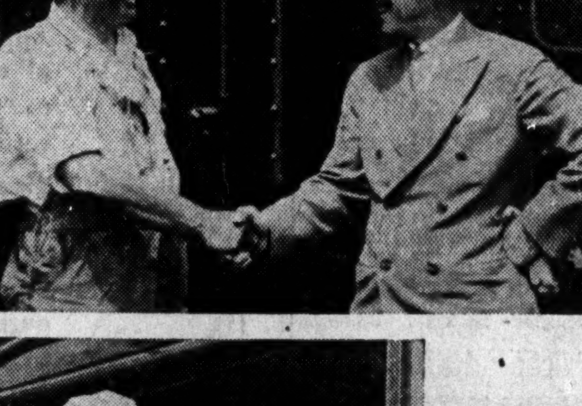
(For six months income statement see page 15)

Co-operatives Report Increased 1934 Sales

An increase of approximately 15 per cent over 1933 is reported in sales by members of the Co-operative Union of Canada for 1934.

This is interpreted as a definite indication of a general revival in trade by the 33 affiliated societies which make up the union. Aggregate 1934 sales were $3.3 millions.

Dual Role for Motor-maker



W. R. Campbell, (Ford of Canada) went last week to see a 60-car trainload of V-8's start on a trans-continental hop to Vancouver en route to New Zealand.

He got so chummy with Engineer Chas. Butler that they switched caps and the motor-maker got his first taste of a steam throttle.

B.C. Buys $2,000,000 for Sinking Fund

Province of British Columbia has sold $2 millions of 20-year, three per cent debentures to its own sinking fund, it is revealed in the weekly record of financing published by A. E. Ames & Co., Toronto. When the government first announced its policy of using sinking fund earnings to finance itself, the amount mentioned was $1.5 millions.

As indicated originally, $1.5 millions of the money is for highway improvements undertaken by the province. The added $500,000 is for loans to municipalities for various public works.

As a result of reduction of sinking fund appropriation in the budget, and employment of the fund's earnings to buy new provincial issues, British Columbia may not be an important borrower from the public this year. Chief possibilities of financing are conversion of short-term treasury bills into long-term bonds and funding of maturities.

INVESTIGATIONS DROUGHT RELIEF GET UNDER WAY

Western Dry Areas Wet Again But Experimentalist Busy

From Our Own Correspondent

REGINA.—While abundant rainfalls have turned most of the former dry areas of Southern Saskatchewan and Alberta again into fertile country, the Dominion Government is going ahead with its drought relief project. The Dominion Water Development Committee, has established headquarters at Swift Current, selected as being the centre of the 1934 drought area

Communication has been established with hundreds of farmers and stock men seeking irrigation schemes, dams and other water projects. While no official statement has been given out, it is understood that the committee will for the time being concentrate on supplying immediate needs of distressed farmers. Large projects will have to wait. A $25,000 building will shortly be erected at Swift Current to take care of experimental equipment.

Limit $15 Per Acre

Engineers are now covering affected areas and will shortly be able to lay before the committee, the results of their investigations. Indications are that it will be feasible to spend up to $15 per acre on water projects but any amount beyond that would be regarded as an expense too heavy for the land to bear. Consideration of using relief-takers on the more expensive projects has not reached the point where any definite arrangement has been made.

$750,000 to Spend

The programme for rehabilitation through water projects will cover five years and the federal government has allotted $750,000 for the first year's work. All engineers in the field are experienced men and are employees of the Dominion Reclamation Service.

L. B. Thomson, superintendent of the Dominion experimental station at Swift Current, is chairman of the water development committee. He is a young man, 35 years old, and a New Zealander. He came to Canada some years ago to work on a big Alberta farm project and drifted into government experimental work. Dr. S. E. Clarke, former agrostologist at Manyberries Experimental Station is also a member of the water committee.

ALL TEXTILE COS. EMPLOY 106,235, OFFICIAL FIGURE

Gives Work to More Than Half Women in Canadian Industry

Advance report on the textile industry of Canada for 1933, just received from Ottawa, estimates employment given at 106,235 persons in 1933. There was a total of $80.7 millions paid in salaries and wages and the industry produced goods at a selling value at the factory of $294.7 millions. The materials used cost $144.6 millions and the value added by manufacture totalled $150.1 millions.

Silk Cos. Multiply

Improvement was mainly in cottons, woollens, silk, and artificial silk products as well as in the dyeing and finishing of textile goods. Improvement in employment and output was mainly in Quebec and New Brunswick. The greatest improvement was in the making of silk, artificial silk and products. The multiplication of output in this industry was so great that it might almost be considered a new industry in the last ten years.

Women Predominate

Much was made in the textile number of The Financial Post a week ago of the high proportion of women wage earners in the textile industry. The report of the Dominion Bureau of Statistics points out that all manufacturing industries of Canada in 1933 employed 100,300 female wage earners. The textile industry employed 54,244 or 54.1 per cent of the total.

In the making of women's and men's clothing especially, women predominated.

The greater number of wage earners employed in these industries work 50 hours or less a week. Only a very few were shown working more than 60 hours. The total cost of fuel and electricity consumed by the textile industry in 1933 was $6.1 millions. Cotton textiles were the biggest customers, and the making of cloth was the biggest single source of demand.

Cod Fish

The cod fishery is almost exclusively off the Atlantic coast, British Columbia being credited in 1934 with only one per cent of the total value of production. Cod is sold chiefly as dried, but large quantities are sold also for consumption fresh, as fresh fillets, smoked fillets and boneless.

Relief Demobilization Will Stop Frauds

Relief in Larger Cities is Out of Line With Business Improvement

By GEORGE WILSON
Finance Commissioner, City of Toronto

During the five years, 1930-1934, Toronto's expenditure upon direct relief to the unemployed totalled $20.5 millions, which was abated by governmental and private contributions to the extent of $13 millions, the balance of $7.5 millions being provided by the taxpayers.

From Jan. 1 to June 30, 1935, net cost to the city of direct unemployment relief was $2,003,725, there being 26,279 families on relief in June.

In 1934, from January to June, the net cost was $1,629,254. There were 25,236 families on relief in June of that year.

Employment indices clearly indicate that the trend of unemployment relief in Toronto (and other cities) is definitely out of line with the general improvement in economic conditions throughout Canada.

The June, 1935, bulletin, of the Dominion Bureau of Statistics reports: "improvement was indicated in all of the five Canadian economic areas except Ontario, where there was a minor contraction of 243 persons employed in the payrolls of 4,094 establishments."

The all-Canada employment index for each of the years 1927-1935 compared with June 1, 1926, 102.2, is as follows:

Employment Index at June 1

1926	102.2	1931	103.6
1927	107.0	1932	89.1
1928	113.8	1933	80.7
1929	122.2	1934	96.6
1930	116.5	1935	97.6

The employment index for Toronto, based on returns furnished by 1,382 employers, shows 118,969 employees on June 1, 1935, compared with 117,439 on May 1. The Bureau reports that the index of employment was also higher in all other large cities—except Quebec—as on June 1 this year compared with last year.

Business Improvement

In a comprehensive statistical survey of business conditions in Canada in 1934, compared with 1933, the Dominion Bureau of Statistics summarizes:

"Economic conditions in Canada showed improvement in 1934, adding to the advance recorded in the greater part of the preceding year. Most of the principal factors measuring the trend of economic activity were consequently much more favorable than during the low point of the depression reached in 1932 and the first quarter of 1933. The improvement was well defined during the first part of the year just ended, many factors reflecting a process of consolidation during the later months. The physical volume of business at the dawn of the new year was about equivalent to that of the later part of 1931."

Causes of Discrepancy

The chief factors responsible for the unsatisfactory discrepancy between improved economic conditions and cost of unemployment relief are:

(a) The natural gravitation of "drifters" to the city from smaller municipalities where organized relief measures are inadequate or non-existent.

(b) Thousands of persons steadily employed for many years prior to the depression and still eligible for work who will ultimately be displaced by young men and women who have reached the working age since 1930. The majority of these unfortunate victims of the depression may now be classed as "permanently unemployable" and should be provided for by the federal government until and after they qualify for old age pensions.

(c) Many unemployed people able to support themselves during the early stages of the depression from accumulated savings, which have been gradually exhausted, who are now compelled to apply for relief.

(d) Relief imposters, of which recent court cases, welfare department investigations and persistent rumors indicate are much in evidence in all parts of the city.

Corrective Suggestions

To effectively correct the inequitable financial burden which is undoubtedly imposed upon the city under the present system, and to eliminate hundreds—perhaps thousands—of imposters who now surreptitiously and dishonestly obtain relief at the expense of the taxpayers, the first step would appear to be immediate demobilization of all those now on relief and re-registration of only those who are justly entitled to remain on relief.

Establishment of the above plan—which would probably apply beneficially to several other cities—would necessitate the close collaboration and co-operation of the provincial government with the city. The procedure suggested may be roughly outlined as follows:

(1) Appointment of special auxiliary staffs of investigating inspectors by the city and by the provincial government, the aggregate cost thereof to be borne in the proportion of two-thirds by the province and one-third by the city.

(2) Demobilization of those now on relief to be ordered in each city ward in rotation on stated dates.

(3) Applications for re-registration to be immediately made to the city welfare department and passed upon by the special staff of investigators.

Delay Unnecessary

Under the above suggested procedure, the re-registration of the great majority of those now on relief would be accomplished without delay, and the intensive investigation which would be imperative in other cases would quickly expose those who are able to work, but unwilling to work, and all imposters now obtaining relief dishonestly, in fact, it is probable that many of the latter class would not risk the danger of making application for re-registration.

Codfish

Newfoundland Again Sets Up Board to Attempt Export Regulation and Curb Unfair Competition

Newfoundland's codfish export trade has long been one of unrestricted competition. There has been a great lack of any cohesive effort. Each exporter has generally gone his own way—a law to himself, not always with satisfactory results, either to himself or the general trade.

In recent years there have been several attempts to arrive at some plan under which more co-operative marketing might be achieved, and more assurance given consignee in foreign markets that he would receive the kind of codfish expected. Government intervention, however, was not welcomed under party politics.

During the war years, an attempt was made to bring about regulation of codfish exports, and a governmental body was established for this purpose. Some of the plans were admitted to be good, but the weakness of the scheme was that the chairman of the body was himself a major exporter. Some of the trade, owing to this rather anomalous situation, conceived the idea that unfair advantage was being taken in some cases, and the regulations were short-lived. In the light of subsequent knowledge it is now admitted that there is a sound basis behind the plan.

Voluntary Inspection

During the final session of parliament before surrender of self-government, the Alderdice Administration set up a Salt Codfish Board of which D. James Davies, now trade commissioner for Newfoundland in Europe, was appointed chairman. This Board was to work hand in hand with the Codfish Exporting Association, and provide inspection of codfish cargoes when requested by exporters. Compulsory inspection was not demanded and, while the scheme was not at first hailed with any enthusiasm by the trade, within a year its value was beginning to be appreciated. The major weakness of the plan was that no trained body of qualified inspectors existed. However, good progress was made with the material available.

Under the reorganization of departments by the commission of government the codfish board ceased to function. Its work has, however, shown such possibilities for improvement of exports that a few weeks ago the government decided, following representations made by exporters, that the board should be recreated with some modifications.

New Statute Passed

A new statute, the Salt Codfish Act, was passed creating the necessary machinery. A board of nine to control all matters governing the export of salt codfish was named by the government. Three represented the government — Claude Fraser, John T. Cheeseman, and Raymond Gushue, chairman. From the merchant exporters, the government selected Hon. Walter Monroe, Chesley Crosbie, Andrew H. Murray, Edgar Bowring, Jr., David Baird, Sr., and Geoffrey Milling to complete the representations.

All exporters of salt codfish must now be licensed before being permitted clearance by the customs. Application for licenses made to the board and granted on payment of a license fee of $10 per annum if the applicant classifies under the act. To do this he must export a certain quality of salt codfish and have suitable premises for the business. Both brokers and regular exporting merchants are recognized under the act.

Three-year Plan

There is no compulsory inspection. No staff of qualified inspectors has yet been created, though the government is training a number of young men for this purpose. Inspection is not the province of the board but is provided for by the Natural Resources Department. It is the intention that a system of inspection shall eventually cover the whole island and the Labrador coast as well. It is estimated that three years will be needed to properly train officials to carry out this plan. When this inspection system is eventually working it is hoped that the point will be reached where not a quintal of codfish will be exported without an inspector's certificate.

A new board will be concerned only with exports of salted codfish. There already exists a herring board which controls the export of herrings on somewat similar lines to that proposed for codfish. Export of fresh frozen fish is not of sufficient extent as yet, to require intervention while its direct character lays it less open to some of the difficulties that surround the export of salted codfish.

Under the estimates for 1935-36 a vote of $25,000 is provided for financing the codfish board. In addition there is to be a codfish exporters association, composed of exporters who have paid their annual license fee of $10 and a nominal membership fee of $1. These will each have one vote in the election of six members to the board. Fees will be used to assist in financing the Board. Should the $25,000 allocation be insufficient, it is understood the government undertakes to finance the Board. This can be done from the export tax of two cents per quintal imposed on all codfish exported. This tax will provide an additional $25,000 to $30,000 which will be available for the Board's financing with government approval.

A Background

In the words of Chairman Gushue, the work of the board this season will consist largely in "dealing with immediate problems and laying down a background for the study of the salt codfish trade." Possibilities of appointing trade agents in the various major codfish markets will also be discussed and studied. It is not the intention of the government to provide the salaries for such agents, as the government considers that they should be the responsibility of the exporters, or at least of the board.

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SECOND SECTION

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Investment Eggs

What Baskets Should Investors Choose to Protect Holdings Against Inflation—Common Stocks Have Merit but Omission of Bonds is Risky

What every investor and owner of property wants to know about inflation, of course, is how to keep from losing real income and principal when price levels are rising.

The problem of avoiding inflation losses encompasses virtually the whole investment horizon.

Illustrative of the difficulty of profiting under inflation is the experience of Hugo Stinnes, in the post-war German inflation. He accumulated a huge fortune in the inflation by investing in all sorts of commercial and manufacturing enterprises. When the inflation was over, however, and the currency stabilized, most of his structure collapsed.

Generally the forms of investment recommended as likely to deteriorate least or to gain most from inflation are: desirable real estate, equities of merchandising or manufacturing companies, foreign securities, commodities.

Selecting Risks

It is a truism that those who profit most in investment are those who keep all their eggs always in the right baskets. When, for instance, prices have fallen heavily and depression has come those who held only cash or gilt-edged bonds have profited most. When prices have risen and booms have developed those with equities have obtained most of the benefit. The knotty problem, of course, is to tell when to make the changes.

One of the conservative methods of avoiding the risks of too much inflation, and of too much deflation is to divide capital investment between the best grades of bonds and the best equity securities.

Let us suppose, for instance, that monetary expansion in Canada and abroad brings about a revival of business activity. If commodity and retail prices were to rise, the real income from high quality bonds might shrink. This might be offset by increased dividends from well-selected equities. It is possible, of course, that a business revival might continue in Canada and abroad without any major rise of commodity prices. In this case, the real income from the bonds would remain steady while dividends from equities might increase.

Hazards of Equities

To exclude high-quality, fixed-income securities from an investment portfolio leaves the investor up against the problem of constantly making the right decision on equity securities. Unless one happens to be one of those rare investment geniuses, the chances of constantly making the right equity investment are dubious.

Equity investments, such as those in common stocks, are continually being affected by change and decay. Even in prosperous times, inflation or no inflation, the value and income of an equity security may change materially over short periods.

Thus, to buy a list of common stocks and expect to hold without frequent changes may bring about an investment disaster, whether or not inflation develops. For instance, a study of the copper situation early in 1930 indicated, quite apart from the gradual deepening of the depression, that the situation of this metal was particularly unhealthy. The fortunate investor who recognized this position was able to sell out of copper stocks at a profit even after the 1929 stock crash. How few, however, did so!

Then again in 1933 there was a boom in stock markets for all kinds of equities based on the fear of inflation. Some equities did much better than others in this little boom market. Study of the statistics behind the motor car business, for instance, indicated a tremendous potential demand for new automobiles. This demand has made itself felt. The man who invested in automobile shares early in 1933 has done much better than if he had invested in some other type of common stock.

Present Outlook

The burning questions now are, of course: Should copper stocks be purchased again? Is the cream off the recovery in motor car sales? Probably not one person in thousands can determine the correct course to take on these two types of investment at every season.

It does seem possible that business conditions may continue to improve. It is even possible that if credit inflation is effective on an international scale another period of boom may develop. Unless human nature changes more than it ever has before, however, it seems fairly certain that if we have booms in the future. We shall also have depressions. The significance of this, of course, is that it would probably be unwise for an investor to suppose that he can put all his investment eggs in the common stock basket. When another depression comes, it should be advantageous to be holding high grade bonds, rather than too many common stocks.

Investment Trusts

With all their faults and dangers, analysis of alternative inflation hedges indicates that common shares are an ideal form of hedge against inflation. To carry this conclusion further, it appears that investment trusts offer the smaller investor the best opportunity to diversify common stock investments without placing too many eggs in one basket. The small investor can diversify simply by investing in one or two investment trusts. This policy can be hedged further by purchase of a few prime securities, bonds, preferred or common stocks.

It is important, of course, to buy only securities of well-managed investment trusts. Unfortunately, there are few investment trusts which can claim satisfactory experience in Canada over the depression period.

Economic Investment Trust has had one of the best investment records in Canada since 1927. It has a bond issue of $949,500 upon which it has earned its interest by a satisfactory margin throughout the depression. It has nearly 40,000 common shares of $50 each outstanding on which it has paid dividends throughout the depression. The company's investments are chiefly in Canadian securities, and are well diversified as to industries.

Canadian General Investments is a company which has a capital consisting only of common stocks, these being slightly over 600,000 shares outstanding. This company's investments have shown substantial appreciation in the last two years, and dividends have been earned regularly. Common shares of both these investment trusts stock sell at considerably below the actual market value of the investments held. By purchasing common shares of such trusts, the investor has his money looked after for him by experts. Also, a much broader diversification of investment is possible than would be the case where the investor to purchase his own securities.

Real Estate

Another type of equity investment, of course, is real property. The difficulty with this sort of investment is that it is inflexible. That is, it cannot always be sold at a satisfactory price. Moreover, it is stationary and cannot be moved from place to place. It is also heavily taxed if it produces revenue and if it does not do so, may turn out to be a distinctly unsatisfactory form of investment.

The purchaser of real estate may have to hold his investments willy-nilly for many years. In the current depression many valuable properties have been unable even to earn their mortgage interest. Some have not even been able to get enough revenue to cover taxexs.

There are many people, however, who firmly believe that well-selected, revenue-producing real estate is one of the best forms of protection against inflation. There are, however, serious disadvantages in real estate investment. Some of them are: real estate may not appreciate in value as soon as other forms of investment; taxes are high and might go higher under inflation; rentals may not rise as fast as other prices might rise under inflation; each individual piece of property is a peculiar investment problem in itself. For the average individual, real estate may not, therefore, be the ideal form of investment through which to protect himself against inflation.

Foreign Investment

Looking back on the French inflation between 1919 and 1928, it appears that where there is inflation in an individual country like France the safest protection is investment in foreign assets. For instance, taking an index of 100 in 1919 representative of prices for French industrial stocks, the value in 1928 was only 62. Taking 100 as the index of representative British industrial stocks in 1919, the value in 1928 was 150. Even allowing for some depreciation in the value of the British securities in the recent depression, the French investor who put his money into British equities during the war was much better off than the investor who kept his money at home.

Despite the excellence of investment in foreign currencies and securities as inflation protection in the past, this may not be effective in the future. One reason is that inflationary trends have been developing on an international scale. The threat of currency devaluation and expanding credit is world wide. Thus, for the Canadian investor, there seems to be little attraction in going abroad for investment at present. Moreover, it is not always feasible to obtain adequate information on foreign equity investments. Then again if an inflation abroad were much worse than one in Canada, which is not improbable, the investor might do better to keep his money at home.

Commodity Investment

Investment in commodities themselves is sometimes recommended as a hedge against inflation. The disadvantages, however, too far outweigh the advantages of investing in commodities. They bear no income, involve storage charges and are subject to deterioration. Investment in commodities unless a rise in prices is sudden, is likely to cost the investor so much for charges that he may have difficulty in getting his money back. In this respect, commodity investment is not unlike investment in unimproved real estate which eats itself up in taxes. Worst of all, however, prices of commodities in Canada may only be facing a moderate rise because of the enormous productive capacity. Thus, a commodity hedge for inflation may be a fallacious one.

Preferred Stocks

Preferred stocks are in a peculiar position under inflation. If we have a credit inflation in Canada on a reasonable scale, it is not improbabe that many preferred stocks which are now selling at comparatively low prices and which carry dividend arrears may appreciate substantially in value and may pay the investor handsomely in dividends and arrears.

Speaking generally of preferred stocks, they do not stand to get the same benefits from a credit inflation that may ensue to common shares. The rate of dividend is usually fixed and in only a few cases is participating. Thus, unless there are arrears of dividends and unless shares can be bought at a discount there may be no particular advantage in purchasing preferred shares as an inflation hedge.

If another depression is eventually coming, preferred shares may not offer a satisfactory investment. In the current depression, investors have seen again and again that preferred shares lack the security of bonds and can easily be done out of their rights. Not ineptly they are sometimes considered neither fish, flesh nor fowl. The seriously depreciated preferred share, however, may have attractions as a hedge for inflation.

Cement and Steel

Canada Cement Company 6½ per cent preferred, for instance, is in arrears of dividends $19.50 a share. It has been earning virtually nothing on the shares. If, however, credit inflation were to expand business and demand for new construction in Canada, the company might easily be able to earn its preferred dividend. It is even possible that some arrears might be earned. That this is not on the immediate horizon, however, is indicated by the price of the shares, which is $55 each.

Then there is General Steel Wares 7 per cent preferred which sells at about $40 a share. Last year slightly more than $2 a share was earned on this stock but no dividends are being paid. Arrears of dividends now amount to about $30 a share. While it seems unlikely that these arrears are going to be paid up soon, there is some possibility that credit expansion might improve business conditions sufficiently to enable payment of at least a part, perhaps all, the regular dividend of 7 per cent.

Paint, Paper, Bread

Sherwin-Williams 7 per cent preferred is in a somewhat different category and sells at about $100 a share. It is paying the full dividend at present, but has 12 per cent of arrears to catch up. If inflation via credit expansion improves the trades which purchase the company's paint products, it would not be very difficult for the company to pay the arrears of dividends.

A company in a similar position is Howard Smith Paper Mills. The shares sell for slightly less than $90 each and carry over $25 each in dividend arrears. No dividend is being paid at present. If business conditions continue to improve, whether or not there is credit inflation, there are prospects that substantial income may be obtained on the shares.

A preferred stock which has some likelihood of better earnings under a credit inflation is Canada Bread class B stock. While no dividends are being paid at present, the improving financial position of the company and the low quotation of about $27 each for the shares, leaves scope for improvement in the investment position of the stock. Both market value and income could only improve if the company's position continues to get better. A credit inflation increasing demand for the company's products could hardly fail to aid earnings.

Toronto Elevators 7 per cent preferred stock offers the investor some chance to compromise between a common and a preferred. The shares sell at a substantial premium, but each preferred share is convertible at the holder's option into three common shares.

Thus, if the company continues to do as well as it has in the past, the 7 per cent preferred dividend seems to be assured. There are no bonds to complicate the situation. If the company does very much better, whether by reason of its inflation or not, the preferred shareholder may get the benefit of an increase in price of his preferred shares because of the conversion privilege.

Convertible Bonds

In considering compromise investments for protection against inflation, convertible bonds are worthy of consideration. British American Oil Company, for instance, has an issue of 5 per cent bonds which are convertible into common stock. There is some question as to the value of the conversion privilege, however. For example, the price at which the bonds can be converted into common stock runs up to $40 a share. Thus, at present the privilege is of little value. Further, the bonds may some day be called, which might wipe out the conversion privilege. If, however, the bonds are left outstanding, the privilege of converting into equity securities is some protection.

Then the C.P.R. has an issue of 4 per cent bonds due 1949, each $100 of bonds being convertible into four shares of common stock up to 1941. Under a moderate form of credit inflation, the railway company would get the benefit of any increased volume of commercial transactions in the form of increased freight. It should be remembered, however, of course, that the railway's rates are not flexible and would not tend to rise much under an inflation. The chief need of the road, however, is a greater volume of traffic. Development of more traffic would tend to improve the prospects for the common shares. This, in turn, might make the conversion privilege on the 4 per cent bonds of distinct value to holders.

Inflation Possibilities

Inflations due to unbalanced budgets already appear to be under way in Japan and in Germany. The huge deficits arising from military and armament expenditures are being financed through purchases of government debt indirectly by the governments themselves. In Italy something similar may develop. The Italian budget is already heavily unbalanced and may get out of control. Inflation of this character seems unlikely in British countries. The United States may be able to halt its inflationary budget deficit, but it will not be easy.

With the basis for credit inflation well established in the British countries, and unconcealed budget inflation progressing elsewhere, it would be dangerous to assume that the possibility of inflation on an international scale has disappeared. The disease is infectious. In Canada it is reasonable to expect some form of credit inflation, probably not nearly as rapid nor as drastic as the one we had in time of war. Still the inflationary trend is worthy of close attention of investors and business men.

For Canadians, it is particularly noteworthy that there is no present shortage, and no apparent early likelihood of a future shortage, of foods and raw materials. This should mean that it may be wrong to anticipate sharp advances in commodity prices.

It is not improbable, of course, that a moderate rise of commodity prices might result from improving demand for goods resulting from higher industrial activity and income. Thus, as stated earlier, the direction of a credit inflation in Canada might be toward booming securities markets, just as in 1926-1929. In such event, of course, the holder of equities would stand to benefit most. The ultimate result of such an inflation, however, might be to bring another collapse and another depression.

This is the eighth and last of a series of articles on inflation.

Newfoundland Officials Appointed by Commission

At a meeting of the Newfoundland Commission of Government at St. John, W. D. B. Beveridge was appointed director of co-operation in Newfoundland for a period of three years subject to Dominions Office approval. Mr. Claude Noonan was appointed chairman of the Herring Board during the absence of J. T. Cheeseman. It was further stated that D. James Davies, trade commissioner for Newfoundland will visit Italy and Greece in September in connection with the markets.

"More Business in Government; Less Government in Business"

Editor, The Financial Post:

Having been a constant reader of your valuable publication for a number of years, I would like to take this opportunity of complimenting you on your sane articles and editorials, and to say that I feel your paper is an outstanding Canadian publication in its class.

I was very interested in the attitude that you have taken regarding the trend of legislation in Canada during the past couple of years, and your insistence that individual initiative and enterprise should be protected in this country.

I read with much interest your editorial, "What will start trade moving again?" in last week's issue, in which you embodied a recommendation of the International Chamber of Commerce at its recent Paris Congress. I am glad that this body advised against the interference of the state in the direction of private enterprises. You are doing your readers a service in publishing articles of this kind.

Having been a close observer during the past five years, both in Parliament and on the outside lines, of the trend of Canadian affairs, and having given every possible attention to the study of sound economics, particularly during that period, I am amazed today at the lack of interest and understanding I find among those who are most vitally interested in this country regarding the conditions and developments that are taking place.

While it may be golf, bridge, or some other form of recreation that consumes the time of many of those engaged in industry, commerce and finance, they seem, in a great majority of cases, to be satisfied with an imaginary security of their position, which in my opinion is anything but consistent with the thoughts and feelngs of the great mass of Canadian people.

As we well know, the political situation in Canada, with the date of a federal election a few weeks away, is a conglomeration of Socialism, Fascism, and policies of government regimentation or control of business. The situation can only be saved by those who are most vitally interested studying the conditions and taking a greater interest in politics, the most important business in Canada.

When speaking to several influential financial men a few days ago, I made the statement "that they were living in a penthouse, on top of an eighty-story building, in an atmosphere all of their own, never even seeing the pavement where the great mass of Canadian people pass."

My incentive in writing you at this time is to suggest that you should use the influence of your columns to awake your readers to the fact that the coming election will be the most important in the history of this Dominion, which will decide whether we adopt Socialism, or Fascism in Canada, or whether we will maintain a stable form of administration, economically sound. What this country requires, in my humble opinion, is more business in government and less government in business.

Hoping to see The Financial Post even more pronounced on these sane policies at this critical time.

W. A. FRASER, M.P.,

Trenton, Ont.
July 24, 1935.

FOREIGN FACTORS DISTURB OUTLOOK OF COD FISHERIES

Internal Prospects in Newfoundland Viewed as More Favorable

A more favorable outlook for the cod fishing industry is developing in Newfoundland. The general situation, however, is obscured by uncertain conditions in some of its most important markets.

There has recently been some activity in the Oporto fish market, but prices obtained have registered a material decline since the beginning of the year. However, members of the new Salt Codfish Board are now busy devising a means of bringing exporters into line with a more constructive policy and it is hoped that the price position will show improvement in the near future.

Unusual Season

The fishing season is reported very unusual. Late ice greatly hindered codfishing operations on Labrador and northern Newfoundland. Just how the catch will be affected cannot be estimated as yet. The lobster catch has been short and prices have consequently jumped to $17 a case for pound tins.

Possibilities of a satisfactory solution of the industry's difficulties are somewhat clouded by conditions in two of the most important foreign markets. Sales to Spain have been disappointing up to the present. It is believed in some quarters that this has been due to lack of good quality stocks. A new shipment of 7,000 quintals has recently been made and is expected to overcome this fault.

Italian Exchange

In Italy, however, the exchange agreement is not working out very smoothly. The Board of Trade is urging the commission of government to intercede with the British treasury which is a party to the agreement. Italy is reported heavily in arrears on her guaranteed exchange account. Her outside credit is practically nil; even British coal shippers are demanding cash. Inflation has been under way for some time, the price index having risen from 260 to 325 in the last six months.

LAURA SECORD VOLUME HIGHER FIRST 9 MONTHS

May Exceed 1934 But Profit Margin Believed Narrower

Sales of Laura Secord Shops continue to show improvement over last year. For the nine months of the current year, these amounted to $1,366,496 as compared with $1,363,195 for the first nine months of 1934. For the whole of the 1934 fiscal year which ended October 1 sales amounted to $1,733,033 or approximately $367,000 more than for the first nine months of the current year. If the present trend continues at this rate for the last three months total sales in the current year should exceed by a fair margin the 1934 total.

Margin of profit, it is understood, has not been quite as wide as in 1934, although the net for the first seven months is officially reported at $126,092 as compared with $124,770 in 1934.

With investments in government and other municipal bonds amounting to over $1.4 millions in 1934, roughly over a third of the company's net profit comes from investments. Lower interest rates on securities in general may reduce this income somewhat.

Taking this fact into consideration and also the narrower margin of profit on sales of candy it is believed that net earnings in the current year may fall a few cents behind the $3.77 earned in 1934. In 1933 earnings equalled $3.79 per share.

Scoffs Monopoly Hint Canada's Oil Industry

Too Much Competition B. C. Fuel Enquiry Told

From Our Own Correspondent

VANCOUVER.—Excessive competition resulting in an extravagant and unnecessary duplication of sales outlets has developed in the gasoline and oil industry of Canada, British Columbia's fuel enquiry commission was told here by L. C. McCloskey, vice-president of Imperial Oil Ltd., in charge of manufacturing, purchasing and accounting.

Mr. McCloskey contended that Imperial Oil, Ltd., had not been a party to this situation, but he would be the last to deny its existence. He said that references had been made before the commission to alleged monopolistic character of the petroleum industry, and to some mysterious agencies which interfered with sources of supply for so-called independent marketers.

Too Much Competition

"Anyone who will drive for a few minutes around Vancouver or Victoria or any city in Canada will perceive how ridiculous such suggestions of monopoly are," said Mr. McCloskey. "Instead of monopoly there is too much competition."

Mr. McCloskey branded as pure fiction the suggestion that mysterious influences were impeding the flow of petroleum products to so-called independents. Anyone who had the money could buy cargo lots of gasoline or other products at Pacific coast points.

One of the basic reasons for the present enquiry into the fuel industry is to find a means of stimulating the province's own coal trade, which for years has been ailing. Production figures just issued for June indicate a sharp decline as compared with a year ago, only 83,000 tons being taken out of the mines as compared with 106,000 tons in the corresponding month of 1934.

Mr. McCloskey told the commission that in his opinion the coal industry was now in almost exactly the same position as was the petroleum industry some years ago when electric light ousted the kerosene lamp. The petroleum industry was then faced with a rapidly dwindling market for its major product, kerosene, but a crisis was averted by the evolution of the internal combustion engine. Evolution of the modern passenger and cargo vessels, development of the Diesel engine, and the greater efficiency and higher performance required by industry and transport, all had been irresistible forces working against the interests of coal. But coal would still have its uses and inventive genius could be depended on to find means of extending its utility.

Push Oil Sales

Mr. McCloskey also answered the charge that the oil companies had been pushing oil sales at the expense of gasoline in British Columbia and had on that account kept gasoline prices high while reducing those for oil. A. E. Halverson, director of the company's marketing department, said that the reason oil sales were relatively greater in B. C. than in Ontario was that large logging, shipping and pulp industries were heavy consumers of fuel oil and that transportation costs for oil in Ontario enhanced the cost in that province.

Responsibility of Directors

John M. Godfrey Tells Why He Censures Most of Manufacturers' Finance Board and Auditor—H. H. Stevens Criticized as Chief "Guinea Pig" Director

The words of censure which John M. Godfrey, Ontario Securities Commissioner, applies in his recent report as Royal Commissioner to all but three of the directors and officers of the Manufacturers' Finance Corp. are of wide interest to the investment world.

They emphasize in each case that the light-hearted way in which directorial responsibilities were undertaken in the days before 1930 are not likely to be again tolerated in the affairs of public companies in Canada. They emphasize as well that directors have a grave responsibility if stock is sold by misleading literature.

Mr. Godfrey does not accept and, in view of the decisions in English courts in recent years, courts in British countries no longer accept the plea of directors that they rely on management for all information and guidance. If directors do not show sufficient curiosity to get the answers to questions which are necessary if they are to have an intelligent idea of the progress and solvency of their companies, they have no business to be directors.

Mr. Godfrey thinks and the British courts think that they should be held responsible for their negligence and that ignorance is no excuse. He advances as well the idea that it is not enough for directors to advise management soundly if they do not go further and see that management follows the sound principles advocated.

Duties of Auditor

Mr. Godfrey's report as Royal Commissioner also throws into relief the duties of auditor. It is not enough for an auditor to tell the management and even a number of individual directors what is wrong as did N. L. Martin, auditor of Manufacturers' Finance Corp., but he takes a serious responsibility if he appends his certificate of correctness to a financial statement which he believes to be misleading.

Duties of Directors

In last week's issue, The Financial Post brought out another important lesson of this investigation, namely the need for investors scrutinizing closely the names of boards of directors. Lists of prominent names may be worthless unless the men named are experienced in and familiar with the business to be guided.

Censures H. H. Stevens

Mr. Godfrey's censure of Hon. H. H. Stevens as one of nine "guinea pig directors" is more severe than for the others. There were acts of commission as well as omission. For example, Mr. Stevens apparently sat for a year or more on the board illegally because he owned no shares. Later he personally supervised the sale of shares to the public on the basis of the "Safety First" pamphlet with the misleading claims.

These remarks gain in interest to the public because of Mr. Stevens's prominence as a critic of financial operations of the boom period and his condemnations of stock watering and misleading sales literature of the time. The Price Spreads Committee of inquiry, formed mainly as a result of Mr. Stevens's sensational charges and speeches, found especially that reform could best be obtained by insisting that directors were in a trustee relationship to security holders and by increasing the responsibilities of auditors. Mr. Godfrey by inference finds Mr. Stevens signally lacking in this sense of trusteeship and even actively abetting a policy which in the end increased the public loss materially.

Stevens Sold Shares

Mr. Stevens was not only a director. He sold the shares to the public as well. He had a double reason to make sure all was above board. On March 18, 1925, he entered into a firm underwriting agreement with the company to buy 10,000 preferred shares at $10 a share at the rate of 1,000 shares monthly. He was given the exclusive right to sell the shares of the company in British Columbia and Alberta. The shares were sold at $12.50 by salesmen and Mr. Stevens's share was a three per cent over-riding commission. He was paid on account $1,063. At the time Mr. Stevens had some doubt as to the legality of a director receiving a commission from the sale of the company's shares. W. M. McDonald, secretary-treasurer, however, assured him, he says, that there was no legal objection. However, a year after liquidation after an interview with Major Nash for the liquidator in Vancouver, Mr. Stevens offered to return the money and eventually did so.

Mr. Godfrey's criticism of Mr. Stevens's part in all this was as follows: "Mr. Stevens was actively interested in the sale of these shares under his agreement and the safety first pamphlet and other literature of the kind were extensively used. Mr. Stevens well knew that these sales were being made on the representation that investors could not lose by reason of the fact that all accounts owing to the company were fully insured against loss. In these circumstances Mr. Stevens had a particular responsibility to see to it that the representation as to insurance protection made to these purchasers of stock existed in fact and that the company in its operation was protecting its investors against loss by making claims against the insurance companies as and when defaults occurred."

Knew of Defaults

Evidence of Colonel Cooper showed that "Mr. Stevens and the other directors not only knew that there were defaults on the lien notes discounted by the company and that no claims were being made against the insurance companies that insured them but that if claims were made and the financing method of the company thus disclosed, the policies would be cancelled and it would be impossible to sell further shares to the public." Notwithstanding this Mr. Stevens continued to permit the selling of shares not only through his agency in British Columbia and Alberta but throughout Canada. As a director he approved of the allotment of those shares.

Mr. Stevens did not attend the hearing but sent telegrams stating that he had asked questions as to percentage of defaults in payments of paper discounted. He had accepted the replies of the general manager. He had been thunderstruck when bankruptcy occurred and had offered to make up Quebec Realty losses. Mr. Godfrey does not accept this explanation as "credible." The slightest investigation by Mr. Stevens would have prevented further loss to the investing public. He had been warned by the auditors, by former director Huot, by Col. Cooper, and by Senator Robertson as to defaults and failure to make claims on insurance companies. Therefore Mr. Godfrey finds him "derelict in his duty as a director."

Nothing More Than Promoter

Senator McDonald was president and chief executive. He got $10,000 a year and an expense allowance of $50 a week. All the evidence, says Mr. Godfrey, shows that he was nothing more than a promoter and interested only in the sale of securities by high pressure methods and in the acquiring of assets of other companies.

"His conduct as president cannot be too severely censured," says Mr. Godfrey. "As a piano manufacturer he should have known that large defaults were inevitable in payment of lien notes. In fact he told his brother in a letter in 1923 that he anticipated 'an awful lot of trouble in these collections.' He deliberately allowed the advertising material to go to the public though he must have known it was misleading."

Auditor Warned Officers

The relation of the auditor, N. L. Martin, to this whole matter is of greatest interest because the yearly audit is the greatest safeguard to security-holders. Away back in 1924 he began issuing warnings to officers and directors of the company. He advised them not to pay dividends until reserves were in better shape. In the face of a letter from Mr. Martin to this effect a dividend was declared on the motion of Hon. H. H. Stevens. In that motion the latter was again derelict in his duty as a director.

From time to time Mr. Martin suggested that a survey should be made of lien notes so that their value could be estimated and claims made on the insurance companies. He told both the McDonalds these things in 1928 and stated the company had drifted into a dangerous position. He said that only 20 per cent of maturities was being collected. W. M. McDonald told him that it was not in the interest of the company to make such a claim. The auditor also suggested no further dividends should be paid or new capital sought from the public. He also told J. A. C. Cameron, vice-president, and asked him to tell the directors at the next meeting. Mr. Cameron failed to do this.

Mr. Martin also told the facts to A. E. Hill, who was made a director in 1927 to represent Camp-Thorne & Co., Chicago brokers, who had underwritten $1 million of securities.

Nothing was done at the next directors' meeting or at the annual meeting though Senator McDonald made a laudatory speech as to the company's financial strength. But on June 8, 1928, Mr. Hill brought Mr. Martin's memorandum to the attention of directors and an investigation was ordered. Major Nash was brought in and on his advice liquidation began on July 12, 1928. In 1926 Mr. Martin also told Col. Cooper of his fears.

Censured For Certifying

Mr. Martin is considered by the commissioner to have made reasonable efforts from time to time to have corrected the matters which finally involved the company in ruin. He censures him, however, "for lending himself to the issuing of financial statements which did not express the true state of the company's affairs. He certified to statements showing large profits whereas in no year did the company make any actual profit. It is apparent that in order to sell securities W. M. McDonald persuaded Mr. Martin to take in as profits certain alleged earnings which were not in fact profits at all. When a lien note was bought the whole amount of the discount was shown as profit."

In Mr. Godfrey's opinion Mr. Martin should have refused to certify the balance sheet when W. M. McDonald refused to agree to a survey of accounts. Mr. Martin did not in the final balance sheet insist on any proper reserve for bad debts or a reserve to write off organization expenses though he brought it to the attention of directors. The liquidator brought an action against Mr. Martin claiming damages for negligence. Mr. Martin paid a considerable sum to settle this action.

Col. Cooper was a director from 1924 to the annual meeting of May 25, 1928, when he was dropped because he was becoming too inquisitive. Col. Cooper became a director as the result of the purchase of Credit Alliance Finance by Manufacturers Finance Corp. Stock of that company was sold by the late Russell T. Scott and Senator McDonald was interested in it until sale of the stock became difficult because of criticism of high pressure stock-selling methods of Russell T. Scott. Col. Cooper tried to interest Hon. Mr. Stevens and others in his idea that losses on piano paper should be provided against and that too much paper was being discounted for Ontario Piano & Music Co. Col. Cooper at the hearing said directors were "always discussing the number of delinquencies and what percentage of the paper was good." He frankly admitted to the Commissioner that claims were not made on the insurance companies because they were afraid the insurance would be cancelled.

Col. Cooper misunderstood the duties of a director in Mr. Godfrey's opinion. He took the position that a director had nothing to do with the management and that his obligations ended if his suggestions were not accepted by the management. His suggestions were excellent but he should have taken further steps to see that they were carried out. This was especially the case in respect to claims on insurance companies. Mr. Godfrey thought Col. Cooper was assuming a serious obligation "by sitting on a board of directors and accepting subscriptions for stock from people who believed they had this absolute insurance for their investment." However, because of Col. Cooper's insistence and his doubt as to the correctness of the auditor's statement the McDonalds disposed of the executive committee on which Col. Cooper sat. Col. Cooper was also dropped from the directorate.

All but three of the remaining directors are censured for permitting shares to be sold to the public on the representation that the investors were guaranteed against loss by reason of the insurance of the accounts. They should have taken action to protect the public, knowing that there were large defaults.

Only Three Righteous

The commissioner only finds three righteous directors not open to censure. One was William Duff, M.P., of Lunenburg, N.S., who never attended a meeting. It was doubtful if he had ever consented to become a director. Another was H. R. Huot of Montreal, who joined the board in 1926 to represent a large investment by himself and friends. He became suspicious from the first as a result of talks with officials of the company, Messrs. Ellard and Rowlands. He told other directors, Westaway, Colonel Cooper, Howard, and Stevens his suspicions about relations of Manufacturers Finance Corp. with Ontario Piano & Music Co. He wanted to know all about Joseph W. R. Cote in that firm. Hon. H. H. Stevens promised to see him about the matter but did not. Senator McDonald threatened libel action against Huot for his remarks. At the next annual meeting Huot was dropped from the board. Mr. Hill, his successor, was the other director who did not get censure because he took action and brought matters to a head.

Southern Saskatchewan Boosts Butter Production

The output of creamery butter in Saskatchewan for June is estimated at approximately 3,800,000 lb., which is the highest single month's production ever recorded. This is the first month of the present year in which an increase over the same month of 1934 has been reported.

The increase is attributed to the vastly improved grass conditions which now prevail in the former drought areas of the province. These report an increase of over 15 per cent in butter production, whereas central and northern areas report small decreases.

New Books

Tomorrow's Money

It Won't be the Old Gold Standard, Unreformed, and It May Not be Completely Managed

MONETARY POLICY AND ECONOMIC STABILIZATION, a study of the gold standard. By Arthur de Gayer. Published by the Macmillan Company of Canada, Toronto, at $2.50.

• • •

WORLD FINANCE 1914 to 1935. By Paul Einzig. Published by the Macmillan Company of Canada, Toronto, at $3.50.

Here are two more books to be added to the large number that have recently appeared discussing the sort of monetary policies the world and its individual countries, are likely to pursue in the future

In these books the assumption is common that the old-time gold standard is a thing of the past. The forecasts that are made of the monetary system of the future differ only as to the degree to which they give any place at all to gold.

Current money discussions face a certain set of facts. The first of these facts is that under the old gold standard, countries were more interested in exchange stability between nations than they were in price and business stability within nations. In order to preserve their currencies at par they were prepared to undergo the pains and pangs of deflation. When the exchange rates went wrong they did not change the exchange ratio in order to preserve stability at home. Rather they sacrificed internal price stability to obtain external exchange stability.

The second fact is that nations in the future are not likely to be content with pursuing such policies. They prefer to manage their monetary affairs in a way that will protect their people at home. They will even forsake international trading and investing relations to achieve that. Some economists have gone so far as to reject in toto the idea of any sort of international standards, suggesting to the countries that they manage their own affairs well and let international relations look after themselves.

Book for the Student

It is with such problems and with such changing trends in economic life that these two volumes deal.

Mr. de Gayer is one of the younger English economists who has been doing work in the United States and is thus able to write in language that will be understood on both sides of the water. His is more a study in basic facts than an attempt to outline a new basis of policy for the nations. He hopes that between absolute stability and the complete instability of the past, a habitable middle ground will be found. He admits the right of nations to place first emphasis upon their internal monetary aims, later achieving some agreement with other nations for the relative stabilization of exchanges.

This is a volume of particular interest for the student.

Book for Average Man

Mr. Einzig who writes with the vigor and newsiness of the daily newspaper columnist, does not hesitate to change his previous attitude toward the whole question of money in order to be able to produce a pattern for what he calls "the right monetary policy." He believes the world has been wrong in the past. He rejects laissez faire and favors national and international economic planning. Along with this change of heart he admits that he is converted to a policy of monetary expansion, he would drastically revalue all currencies and then return to the gold standard on the understanding that the new parities would be subject to suspension or alteration in case of persistent pressure caused by fundamental disequilibrium. He says:

"The conception that it is the duty of a nation to defend its gold parities to the last drop of its blood has been the cause of immense suffering during recent years. It should be discarded and replaced by a more rational conception, in which parities should be maintained as a matter of expediency, so long as the sacrifices involved in their maintenance remain in proportion to the benefits of stability."

Only Part of Problem

Both Mr. de Gayer and Mr. Einzig are agreed that monetary policies are insufficient in themselves to produce or end depression; that money and its management are only a part of statesmanship.

Mr. Einzig's book is more a volume for the general reader than is Mr. de Gayer's. Those who wish to gain a quick and understandable view of the changing viewpoint on money among world economists will find the subject adequately summarized by Mr. Einzig in this volume.

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MACKENZIE KING. By Professor Norman McLeod Rogers. Published by George Morang and Thomas Nelson & Sons, Toronto at $1.

Professor Rogers has written this biography of Mr. King presumably as pre-election literature. It is a revision and extension of a sketch published by Senator John Lewis in 1925. In literary flavor, it is far above the average of campaign documents and will undoubtedly remain the standard biography of Mr. King for some years yet. To the degree that it is possible for a political associate of Mr. King to write without prejudice, to the extent that any biography of a living person can be a good biography, this one has genuine merit.

Chief emphasis is upon Mr. King's firm belief in reform by evolutionary means and his profound faith in institutions of democratic self-government. As these are Mr. King's chief philosophies at the present time, it is well that the biographer should etch them out. They are unpopular notions today as Communists and Fascists dominate the scene.

Prof. Rogers is a candidate in this election, having cast a line into the Kingston pool.

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THE ECONOMIC AND FINANCIAL POSITION OF ITALY: A multigraphed document published by the Royal Institute of International Affairs, Chatham House, 10 St. James Square, London, S.W.1, at 2s. Postage 3d.

This is an unbiased and non-opinionative picture of the position of Italy under Fascism. As a detached study of the establishment and development of the corporative state, the paper is one that no genuine student of the affairs of Italy can possibly afford to neglect. Italy's peculiar problems, the rapid growth in population, the difficulty of emigration, the dependence upon foreign sources of raw materials, are all outlined as a preliminary to a study of the Fascist state and the present economic position, which one who studies the report cannot regard as good.

Strikes and Bad Roads Stem B. C. Tourist Tide

From Our Own Correspondent

VANCOUVER.—Tourist business in British Columbia during the spring and early summer has been frankly below expectations, although the last week of July and early August indicated a substantial movement, especially from the United States.

Continuous labor trouble — the waterfront strike and the wide publicity given the activities of unemployed in their riots and march on Ottawa—is probably the chief factor in holding back the tourist tide this summer, as last year there was excellent business.

Bad Roads

However, there are other factors. One of them is the deplorable condition of British Columbia's highways. After years of agitation and promises by succeeding governments, the province is still without a good through highway connecting the coast with the interior. Motorists desiring to go from Vancouver to the Okanagan, for instance, must drive south through the state of Washington to reach their destination in reasonable comfort. The policy of recent governments has been to distribute road funds so widely, due obviously to political reasons, that the benefit to the province as a whole has been negligible. The fallacy of this is now generally recognized, but unfortunately recognition has come when the province has less to expend on roads or any other purpose than for many years.

Liquor no Longer Attracts

Americans no longer are attracted to B.C. because they can obtain liquor here. They can obtain it easier and at less cost in their own country. Blue laws have also contributed to the situation, it is declared. B.C. cities are virtually closed up tight on Sundays and present municipal administrations have been unusually strict in outlawing agencies which in the past have been attractive to tourists.

Incidentally, hotel operators are opposing the opening of the Canadian National Hotel, built at a cost of $7,000,000 several years ago and still a "white elephant." C.N.R. executives, visiting here a few days ago, were non-committal regarding their plans for the hotel.

Ont. Equitable Meeting

Members of the Ontario Equitable Life production club have recently returned from a three-day trip from Montreal to the Saguenay. A stopover was made on the return trip.

561,984

London Life Policies in Canada!

More and more, the public recognizes the outstanding service rendered by this Company to those who hold its policies.

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London Life Insurance Company

HEAD OFFICE - LONDON, CANADA

Life Insurance News

NORTH AMERICAN BUSINESS GAINS BY 33 PER CENT

Agency Meeting Also Hears Details of New Policies

RATES CHANGE

New Participating Policy Will Supersede Two Previous Plans — Agencies Show Gains

Leading producers of the North American Life Assurance Co. met last week to celebrate (in part) the fact that company sales in the first six months of 1935 had shown a gain of 33 per cent of over corresponding figures a year ago. The increase is on the basis of "settled" business which corresponds to actual "paid for" insurance and has been general throughout the entire field, as twenty-one of the company's agencies contributed to make this record possible.

The meeting was a convention of leading producers and in addition to company managers and executives, was attended this year by the largest number of club members in the company's history.

With the exception of June, every month this year has shown a marked increase in settled business, according to company records. The largest gain was in January when new business paid for, jumped 145 per cent over the same period a year ago. The company also reports that business in force at the end of June shows an increase on a settled basis of $5.8 millions.

New Rate Schedule

Of equal importance was the announcement to agency representatives and managers of the forthcoming change in the company's participating rates. No definite date has been set for publication of the new rate book containing these rates but it is expected they will be put into force before the end of the year.

For the first few years the company has sold two types of policies. The one, known as "Nalaco 50" (so-named because introduced at the company's 50th anniversary) was a "low-priced" policy on which the bulk of the company's business has been sold in recent years. The other plan carried a higher initial premium varying from $3 to $7 per thousand above the Nalaco 50 rates.

Nalaco 55

The new rates will be introduced under the name "Nalaco 55" (the company next year celebrates its 55th anniversary) and will eliminate the two types of participating contract formerly sold. In future there will be only one participating contract available at a premium rate slightly higher than charged under the old Nalaco 50 plan. For whole life policies the increase over Nalaco 50 rates will be about 5 per cent, for example. For 20--pay life policies the increase will be as high as 9 per cent in earlier ages, tapering off to 3 per cent at age 55. On 20-year endowment policies the increase in rates will be very slight as between the two policies.

The new policies will also carry higher cash surrender values at most ages. For whole life policies these values will be higher than those shown in either the Nalaco 50 series or in the old high initial premium policies. For limited payment life policies the rates will be midway between the old and new.

The new rates will be based on the American Men (5) table of mortality calculated on a 3 per cent basis. The old Nalaco 50 rates were based on the same table but at a 3½ per cent rate. The high initial premium rates were calculated on the British offices OM (5) table on a 3 per cent basis.

The company will also issue a more complete set of non-participating rates than formerly.

CHILEAN BUSINESS PROFITABLE FOR SUN

Bulk of Foreign Insurance Business Done by Canadian Company

That Sun Life of Canada made a net profit of 3,386,000 pesos on its Chilean life insurance business in the last year for which complete data was available (1933) is shown in a current issue of Commerce Report, Washington.

Although writing no new business in this territory Sun Life received nearly one-third of the total income obtained by foreign companies to an amount of 9,752,000 pesos. The 31 foreign companies doing business in the country in that year received a total revenue of 29,310,000 pesos of which the bulk (exclusive of Sun Life) went to fire insurance institutions. Sun Life is the only foreign life insurance company which is a factor in Chilean business.

Against its receipts, Sun Life paid losses and dividends totalling 15,214,000 pesos while returns from investment and other items left a net profit for that year of 3,386,000 pesos. Out of a net profit of foreign companies of just over five million pesos, the bulk was, therefore, realized by Sun Life.

In addition to the 31 foreign companies, there are 68 domestic companies writing insurance of various forms in Chile.

Insurance Inklings

A. N. MITCHELL, vice-president and general manager of the Canada Life, completed 20 years service with that company on July 1.

GEORGE F. FRENCH, C.L.U., has been appointed manager of the Montreal centre agency of the Montreal Life. Mr. French is president of the Life Underwriters Association of Montreal.

J. G. GRAHAM manager, of Southern Alberta, was winner of the efficiency trophy and G. W. LITTLE, London was leading supervisor and personal producer in the June campaign of the London Life.

CLEOPHAS LETOURNEAU, of Tecumseh, Ont., has announced his retirement as a representative of the Prudential Insurance Co. of America after 25 years service.

J. HAMILTON BURNS, formerly manager in Toronto of the Standard Life Assurance Co., of Edinburgh, died July 19 in Toronto, following injuries sustained in an automobile accident.

H. A. URQUHART is manager of the London agency of the Excelsior Life which is leading all other agencies of the company in paid-up business for the first half of 1935. The agency has held this position for the past 18 months.

W. PRESTON GILBRIDE has led his London agency to first position in percentage increase of written, placed and paid-for business among all branches of the Great-West Life in the first six months of 1935.

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The Sovereign Life has announced that more new business was written in June than in any other month this year. Total new business in the first half year is 50 per cent greater than for the same period in 1934.

The Great West Life has recently held three regional conferences of agency managers. Ontario managers met the beginning of July at Niagara Falls, those from Quebec and the Martimes met at Quebec July 8 to 10, and western managers met at Calgary July 15 to 17. One hundred per cent attendance was secured at all conferences.

The Manufacturers Life has just completed a convention comprising members of the One Hundred Thousand and Two Hundred Thousand Clubs at Digby, Nova Scotia.

The Mutual Benefit Health and Accident Association has been granted a license to transact the business of health and accident insurance in the Province of Quebec.

The Occidental Life reports that during each month of the year to date production exceeded that of the corresponding month last year.

U. S. TRADING SEEN AS CAUSE NEW TREATIES

Canada Consolidates Trade Position With Five Republics

From Our Own Correspondent

OTTAWA.—Real reason behind last week's announcement of new Canadian tariff pacts with five central and south American republics is said to be to protect existing Canadian trade with those communities in light of possible encroachments by the United States following extension of primary trade by that country with these republics.

The five countries (Costa Rica, Panama, Haiti, Guatemala and Bolivia) under the arrangement, will accord to imports from Canada the lowest rates they give, respectively, to any other country.

Canada, in return, will grant to imports from these five republics the benefit of her intermediate tariff and any rates lower than the intermediate given to France.

The real threat to our trade with these countries is believed to come by reason of the recent trade expansion policy of the United States in regard to natural products such as wheat, fruits, potatoes, lumber etc. By extending these countries our most favored nation tariff, Canada is assured of receiving any concessions granted to the U.S. Canadian exporters, in this way, are guaranteed against loss of markets, or at least will get an even deal with their U.S. competitors.

Flour, wheat, planks and boards are among the chief exports from Canada to these countries.

Exports to Costa Rica in 1934 were valued at $71,219, of which flour represented $53,557. Imports from Costa Rica for the same year totalled $35,774, of which bananas at $33,486 and coffee at $82,288 were the chief items.

To Panama, 1934 exports were worth $233,430, including planks and boards at $69,575 and flour at $34,171. Imports from Panama last year totalled $9,674, of which bananas at $6,677 and lumber at $2,994 were main items.

Exports to Guatemala in 1934 were worth $122,975, of which flour was the chief item at $84,606. Imports from Guatemala were valued at $6,330, including coffee at $3,141.

Canadian exports to Bolivia in 1934 totalled $245,225, including flour at $18,558. Imports from Bolivia amounted to $300 covering settlers' effects.

Fish and flour are the chief exports to Haiti.

Rush Operating Details Federal Housing Scheme

From Our Own Correspondent

OTTAWA.—The government is endeavoring to rush through the administrative acts essential to the bringing into operation of the housing act of last session.

Officials are now completing a form of contract between the Dominion and the various financial interests who desire to come under the act. This contract will have to be approved by order-in-council and then be submitted to all the companies likely to co-operate. As they approve of the contract terms, they will be listed at Ottawa and in due course a statement will be issued containing the names of those who will operate under the scheme.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Hardware Mutual

Would you let me know if the Canadian Hardware and Implement Underwriters have a Dominion or Ontario license and what amount they have on deposit with the Receiver-General, Ottawa, for the protection of Canadian policyholders?

My reason for asking you the above is that I have been talking to one of their representatives who wishes to insure my home. Do you think they are safe to insure with.

Canadian Hardware & Implement Underwriters are not licensed, as such, in that it is merely the underwriting agency for three separate companies all of which are licensed under the federal insurance department at Ottawa. The three companies are: Hardware Mutual Fire Insurance Co. of Minnesota; Hardware Dealers Mutual Fire Insurance Co. with head office in Wisconsin and the Minnesota Implement Mutual Fire Insurance Co. with head office at Minnesota.

The latest report from Ottawa shows these companies as at the end of June have on deposit with the Receiver-General at Ottawa $679,200 for the protection of Canadian policyholders. This is divided almost equally among the three companies.

Over a considerable number of years, this group has indicated its ability to write business economically and show a consistently low loss ratio. Head office statements of the three companies show a combined surplus available for policyholders of over $6 millions. We understand that as at the end of June, the three companies have shown a surplus increase of almost $750,000, bringing total surplus close to the $7 millions mark.

All policies are written in Canada under the name "Canadian Hardware and Implement Underwriters" but the business placed is divided equally between these three constituent companies whose names are given above. The company writes business as a rule at tariff rates, but allows a dividend to policyholders depending on the type of risk, etc.

Until recently all policies issued were liable to one year's premium in the event of the company going into liquidation. The company continued this policy for a great many years, despite the fact that substantial surpluses were available which precluded the possibility of such a liability being enforced. However, we are informed within the past month two companies have altered this requirement and are now issuing non-assessable policies. The third company (the Hardware Dealers Mutual) will make this change at its next annual meeting so as to be effective at the beginning of 1936. Present policyholders are being informed that on existing policies, two-thirds of the assessment liability is being waived.

Manager for the company in Canada is F. B. Dalgleish. Head office of the company in Canada is now at Toronto.

FIRE LOSSES CUT A THIRD IN ONTARIO

Six Months Figures Show Excellent Record for 1935

Ontario's fire loss fell a further 27 per cent in June compared with a year ago. This brings total losses in the province, as compiled by the Ontario Fire Marshal, to $3.8 millions for the first six months of the year—a decline of one third compared with the same total last year. The number of fires reported in the first half of the year is also lower than a year ago at 8.050.

Comparative figures showing the distribution of the fire loss in the first six months in 1934 and 1935, as between barns, dwellings, stores and factories, is shown below.

Accompanying the June report is a request from the new fire marshal as to the value of the monthly report. It is stated that the compilation and publication of this information costs many thousands of dollars and the suggestion is made that a quarterly report might serve the same purpose.

The only large fire reported in June was at the store of Hope & Sons, Ottawa, placed at $168,000.

Ontario's Fire Loss Record (Six Months Total)

	1935 No.	1935 Loss	1934 No.	1934 Loss
Barns	108	$233,223	178	$314,020
Dwellings	6,346	1,440,805	6,721	1,750,060
Stores	550	851,623	692	1,135,129
Factories	188	360,470	224	1,130,526

Fire and Casualty News

COST TO CANADA OF FIRE LOSSES RELATIVELY HIGH

Most World Cities Do Better Despite Recent Improvement

KIRKLAND LAKE BEST

The high cost of fire losses in Canadian and United States cities compared with the majority of leading cities in other parts of the world is indicated by the annual compilation of per capita fire loss in world cities, compiled by the National Board of Fire Underwriters. Canadian figures have been available within recent weeks with the appearance of the annual report of the federal superintendent of insurance.

Figures are in each case for 1934, a year in which losses on this continent were at an abnormally low ebb. In Canada fire losses generally were the lowest in at least a decade, while in the United States the 1934 record was the best since 1916.

Kirkland Lake Lowest

Figures for Canadian cities represent conditions in communities with smaller population than the data for most world cities. The per capita fire loss in Canada in 1934 was $2.44 compared with a corresponding ratio for United States of $2.08. Ten years ago the per capita loss in Canada was $4.35 and in the United States $4.85.

Incidentally the 1934 record for Canada in respect of a low loss ratio in respect of populations, Kirkland Lake with a per capita loss of only 11 cents. Last year St. Catharines achieved the lowest figure with a per capita loss of 28 cents.

Comparative figures for the first 20 cities in Canada and the United States and for leading cities of the world, for which figures are available, follow:

	Population	Fire Loss per capita 1934
Canada:		
Montreal	1,176,000	$1.84
Toronto	624,000	1.58
Vancouver	245,000	1.23
Winnipeg	223,000	1.17
Hamilton	154,276	1.19
Quebec	142,000	4.00
Ottawa	137,911	2.35
Calgary	83,000	1.34
Edmonton	79,773	1.21
London	74,278	2.77
Halifax	65,000	1.82
Windsor	62,992	.93
Verdun	59,900	.84
Regina	53,034	.82
Saint John	47,514	2.60
Saskatoon	43,234	1.88
Three Rivers	88,202	2.21
Victoria	39,000	2.64
Kitchener	32,000	2.04
Brantford	30,947	.93
Great Britain:		
Birkenhead	151,000	.24
Birmingham	1,028,000	.77
Bolton	177,000	.46
Bradford	298,000	1.48
Brighton	149,000	.27
Cardiff, Wales	222,000	.29
Edinburgh, Scotland	439,000	1.53
Glasgow, Scotland	1,111,000	.69
Kingston-on-Hull	318,000	2.19
Leeds	485,000	3.03
Liverpool	858,000	.85
London	4,397,000	.51
Manchester	769,000	.81
Southampton	180,000	1.80
Stoke-on-Trent	276,000	.64
Europe:		
Vienna, Austria	1,854,000	.08
Bordeaux, France	263,000	.52
Lyons, France	590,000	.65
Hamburg, Germany	1,114,000	.06
Stuttgart, Germany	422,000	.25
Turin, Italy	623,000	.93
Venice, Italy	271,000	.42
Oslo, Norway	263,000	3.26
Lisbon, Portugal	600,000	.20
Stockholm, Sweden	526,000	3.44
China:		
Shanghai	3,550,000	.09
New Zealand:		
Wellington	115,000	1.09
United States:		
New York	7,473,000	1.75
Chicago	3,475,000	3.18
Philadelphia	1,950,000	1.10
Detroit	1,395,000	1.17
Los Angeles	1,300,000	.65
Cleveland	900,000	1.84
St. Louis	900,000	1.68
Baltimore	837,000	.84
Boston	795,000	2.98
Pittsburgh	700,000	.96
San Francisco*	695,000	....
Milwaukee	613,000	1.05
Buffalo	573,000	2.25
Washington, D.C.	495,000	.48
Minneapolis	490,000	1.75
New Orleans	472,000	.65
Cincinnati	468,000	1.19
Newark	444,000	1.19
Kansas City	431,000	1.96
Seattle, Wash.	395,000	1.58

*Losses not reported.

Places $10,000 Cheque In Gore Cornerstone

Corner stone of the new Gore Mutual fire insurance building was laid at Soper Park, Galt, last week. J. N. MacKendrick, members of the staff and William Philip, representing the board of directors, officiated.

Into a crevice behind the stone went the customary metal box containing a history of the company, a copy of local and other newspapers, and various personal commentaries upon the occasion from different members of the staff.

Included among the latter was an undated cheque for $10,000, optimistically inserted by Hugh R. Scott, chief inspector of the company.

Regina Riot Insurance Loss Put at $10,000

From Our Own Correspondent

REGINA.—A check with insurance companies and firms replacing plate glass in stores that suffered damage during the Dominion Day riot, reveals the total damage as being not more than $10,000 including slight losses of stock through pilfering and damage to window displays.

Approximately 150 windows were broken, mostly store display windows. A furniture company suffered most heavily having every front window smashed. Replacement cost was in the region of $1,000. A block nearby also suffered heavily.

Much Extra Coverage

Total amount of riot insurance taken out was reported heavy, but the business was so split up among the various companies it is difficult to arrive at a risk figure.

Very few traces of the Dominion day riot remain. Practically every broken window has been replaced.

Insurance Inklings

A. GEORGE BREWER has been appointed manager of the life, accident and group departments of the Travelers Insurance Co. at Ottawa. He will replace J. F. C. MAUNDER, who has been transferred to Toronto.

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Seeley & Co. Ltd., and Alfred W. McLeod, Ltd., general agency firms of Vancouver, have become associated and are located at 640 West Pender St. Seeley & Co. is general agents for western Canada for the Legal and General, Pearl Underwriters, United States Fire and Fire Association of Philadelphia. The McLeod firm is general agent for British Columbia for the British Canadian, Scottish Canadian, First American and the Sentinel.

London & Scottish Official Retires

Walter J. Morris, branch manager at Toronto of the London and Scottish Assurance Corp. is retiring after 23 years in the business. Mr. Morris entered the insurance business in 1912 as branch manager of the London and Lancashire Life department. Later he became branch manager at Toronto for the fire, casualty and marine departments of the London and Scottish.

HDWE. MUTUAL ASSESS. LIABILITY BEING REMOVED

Two Companies Already Drop Annual Premium Liability

Removal of the assessment feature whereby policyholders were liable for one year's premium in the event of liquidation of the company, is being carried out at the present time by three constituent companies of Canadian Hardware and Implement Underwriters, The Financial Post learns.

According to F. B. Dalgleish, Canadian manager of this group (which comprises the Minnesota Implement Mutual Fire Insurance Co.; the Hardware Dealers Mutual Fire Insurance Co., and the Hardware Mutual Fire Insurance Co. of Minnesota), the company has decided to make this change in all constituent companies.

In two companies, namely, the Minnesota Mutual and the Hardware Mutual, the change became effective June 1 and policyholders are already being notified that two-thirds of the assessment liability feature of their policy is being waived. In the case of the Hardware Dealers Mutual, the change cannot be made effective until the next annual meeting of the company. It is expected, however, that this will become effective for policyholders, as at Jan. 1, 1936.

Six Months Figures

Results for the first half of 1935 are reported as satisfactory. On their entire operations, the three companies report for the first six months of 1935 an increase of almost $750,000 in surplus bringing this figure to a total of approximately $7 millions. Latest figures, published recently in the Canada Gazette, showed the three companies to have on deposit in Canada at the end of June, 1935, for the protection of Canadian policyholders, $679,200.

Underwriting volume has been reasonably maintained, the company reports, with western business much better than at this time last year. Eastern business, however, is not showing the same increase as at this time a year ago. Loss ratio is somewhat higher than the exceptionally favorable results shown by the company in 1934.

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PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

Total Benefits paid $125,000,000

Independent Order of Foresters

FRANK E. HAND Supreme Chief Ranger

HEAD OFFICE: TORONTO, CAN.

Show Insurance Canadiana At Special Aetna Display

Celebrants of Connecticut's Tercentenary year will find some interesting Canadiana in the special exhibit of the Aetna Fire group at their head office at Hartford.

Included in a special exhibit tracing 116 years of Aetna history, is an early Canadian policy written for Joseph Masson, Esq., of Montreal for £750. The policy is dated January 10, 1825, and countersigned by Abijah Bigelow, first agent of the Aetna in Canada and probably the first representative there of any American insurance company.

The Aetna entered Canada in 1821 when the company was still several months short of its second birthday.

Mounted and framed in another part of the exhibit is an expense voucher for Thomas K. Brace, founder and first president of the company showing the total cost of a 16-day trip to Montreal as $84.14.

Mr. Brace was apparently a tireless traveller and made many trips on behalf of his company. His expenses were $2 a day and it is stated that he stayed only at first class inns, and dined and wined in a style befitting his position, in spite of the smallness of his expense account.

McLennan, McFeely, Prior Paying 10c September 30

Class A and B common shares of McLennan, McFeely & Prior, Ltd., Vancouver, are apparently on a regular annual dividend basis of 40 cents a share. The third consecutive quarterly dividend of 10 cents a share on each class of stock is to be paid Sept. 30 to holders of record Sept. 23.

Initial dividend on the A and B. Stock was paid April 30 last. The company's business is wholesale hardware and auto equipment, much of the volume coming from mining and lumbering activities. Thus, the dividend payments reflect improvement in these lines in British Columbia in the past two years.

FIDELITY Insurance Company of Canada

TORONTO

"Canada's Largest Fire Mutual"

The WAWANESA MUTUAL INSURANCE CO.

Ranks 3rd against all companies on total volume of fire business written in Canada

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Directors' Fees

I wish to point out an anomalous situation which is very unjust to shareholders of Canada Bud Brewery.

This company allows its directors to allot themselves a fee of $900 each per annum, yet it has only paid one dividend of 15 cents for the past year. Compared with this are the fees paid the directors of such successful companies as follows: Bruck Silk, $100; Building Products, $200; Canada Malting, $250; Canada Vinegar, $200; Canada Tea, $150; Consolidated Bakeries, $100; Hamilton Cotton Co., $200; Woods Mfg. Co., $350; Dom. Tar & Chemical, $450; Loew's Theatre, nil.

A bald list like this you submit or even one embracing many more companies does not by any means tell a complete story. It is quite conceivable that any company so singled out as Canada Bud might be more moderate in actual remuneration to paid directors than one which shows no directors' fees at all. For instance, in the above list no mention is made of the fact that Canada Bud has a subsidiary and evidently the directors' fees cited cover any remuneration in connection with that subsidiary also.

Again, recent investigation in United States and to lesser extent in Canada revealed some companies which paid no directors' fees at all but at the same time had some of their directors serving in management capacities at high salaries. Evidence at the U.S. probe in connection with one company under investigation ran something as follows:

Q. What is the name of your president? A. John W. Blank.

Q. What salary does he receive as president? A. Nothing.

Q. What is the name of your general manager? A. John W. Blank.

Q. What salary does he receive? A. $95,000 per year.

Gypsum, Lime

Does the recent write down of assets of Gypsum, Lime and Alabastine indicate that the bond interest may be passed?

Gypsum, Lime & Alabastine covered its bond interest 1½ times before depreciation but did not quite earn it after allowing for depreciation last year. The company simply wrote down the stated book value of its assets by reducing the face value of the common stock. This does not change the company's real position. The outlook depends largely on activity in the building trade. At present it appears that the company's experience may be about the same as last year, or perhaps slightly better. There has been no indication that bond interest will not be paid.

Dominion Gas

Will you kindly favor us with as full a report as possible on the investment possibilities of Dominion Gas and Electric Bonds, 6½ per cent, 1945 maturity?

Dominion Gas and Electric Co. 6½ per cent collateral trust bonds due 1945 were covered in 1934 by earnings 1.85 times the interest before depreciation and 1.10 times the interest after depreciation. They are secured by deposit of securities of such subsidiaries as Canadian Western Natural Gas, Light, Heat and Power Co. operating with Calgary as its centre and drawing its gas from the Turner Valley, Edmonton Utilities Ltd., and its operating subsidiaries, Northwestern Utilities and Princeton Petroleum Co., Canadian Utilities, Union Co., Gas Production and Transportation Ltd. It has 94 per cent of the common stock of Canadian Western, 95 per cent of Edmonton Utilities which owns all the common stock of Northwestern Utilities.

Working capital is low and there are contingent liabilities exceeding $333,000. Improvement in the situation of the subsidiaries would strenthen the situation of these bonds. In the final analysis that goes back to the prosperity of the important western areas served.

Windsor Bonds

I notice Windsor 4½ per cent bonds are selling at about 58. Would these be a safe investment as far as principal is concerned?

Windsor is in default but is paying three per cent interest on its bonds. A merger of the neighboring municipalities has been arranged, and financial details for the merger are expected to be revealed before the end of the year. Although the bonds you are considering now carry a 4½ per cent coupon, there is no certainty that such a high rate of interest will be paid. For instance, the provincial government might sanction a reduction of the interest rate to three per cent. It is not considered likely that bondholders will be asked to reduce the principal of their bonds, but in view of the uncertainty of the financial proposals which will be made, the bonds naturally sell at a low price.

Gatineau Contracts

I have just re-read your recent valuable article on "Power Bondholders Still in Dark," concerning Quebec companies affected by the Ontario Hydro contract cancellation policy. I should like to have explained more fully just how much 25- and 60-cycle power Gatineau Power Co. sells to the Hydro. If the amount of 60-cycle power is unimportant, why has it any bearing on the 25-cycle contracts?

The figures regarding Gatineau Power 25- and 60-cycle contracts with Hydro-Electric Power Commission of Ontario are as follows:

Under the major contract, the company delivers 260,000 h.p. of 25-cycle energy at $15 per h.p. It also delivers 20,000 h.p. of 25-cycle energy at $11 per h.p. In addition, it is at present delivering 42,000 h.p. of 60-cycle energy for Hydro's Eastern Ontario system. This contract increases to 48,000 h.p. from Oct. 1, 1935, to 54,000 h.p., from Oct. 1, 1936, and to a maximum of 60,000 h.p. from Oct. 1, 1937.

While the block of 60-cycle power is not the major delivery from the company's point of view, it amounts to a large part of all the power available for the Eastern Ontario system of the Ontario Hydro. Thus, while elimination of the 60-cycle contract would not have disastrous effects upon Gatineau Power Co., it might prove embarrassing to Eastern Ontario power users.

We should mention in connection with the 60-cycle contracts, that Gatineau Power Co. also reserves 40,000 h.p. under this contract to be used by the Ontario Hydro if it requires the energy. So far as we know, this power is not being used, although there is no important excess of power in Eastern Ontario.

You can see that if Ontario were to interfere seriously with the Gatineau 25-cycle contracts, it might inconvenience its Eastern Ontario power users by prejudicing the 60-cycle contract.

International Metals

May I ask for information regarding the dormant state of International Metals preferred? What are the prospects of any payment this year of deferred dividends? I have always understood the company was well managed, but present conditions prompt this question.

International Metal Industries in 1934 had a net loss of $38,148 and the loss would have been much greater except that there was an income of $96,817 from investments, and a profit of $41,775 on sale of securities and fixed assets. The net operating loss was $78,463. This has been the situation ever since 1930.

You will realize that in the United States, even more than in Canada. the enormous overproduction of crude oil led to a tremendous effort to market same. This led to a multiplication of gasoline and service stations, which were financed by the large oil companies The thing was greatly overdone. When prices collapsed and production was curtailed none of the large companies had sufficient funds to finance further service station expansions on a large scale. Thus, the sales available for all service station equipment companies fell materially. This company was fortunate in having its liquid position strong and it was therefore able to stand the gaff better than most.

We think your understanding that the company is well managed is correct, but present conditions are still far from favoring expansion by such a company. It has other departments for the sale and manufacture of oil burners, gas water heaters, electric refrigerators, etc. These will bring some added revenue, but the company's chief hope is in the end for a recovery in purchases of gasoline station equipment. As gasoline stations on the whole are overequipped it is a slow business getting back to adequate sales.

Burns & Co.

Holding some of Burns & Co. former 5½ per cent bonds I would appreciate a report on the current position of this company.

It is understood that earnings of Burns & Co. Ltd. for the first five months of 1935 were substantially above the corresponding period of 1934. It is believed that the 3½ per cent interest rate which now applies on half of the company's bonds has been amply covered. Late in May, as you are probably aware, the company announced that interest at the annual rate of 3½ per cent would be paid July 1, 1935, on the fixed interest bonds. As current assets were then not up to the required amount ($2.5 millions) of working capital as stipulated in the reorganization agreement, no payment was made at that time on the income bonds.

We understand that improvement is continuing in the current year with steady prices for most of the company's raw materials and a steady demand both in the domestic and export market. In common with other Canadian packing companies, it is believed that Burns & Company must have built up a very considerable inventory during the period of low cattle prices last fall and that much of this inventory must have been sold subsequently at the considerably higher values which prevailed for all meat products from Christmas on. It is also quite possible that the company participated in the fairly extensive shipments of dressed meat to the United States which commenced early this year when the United States market soared to wartime levels. In recent weeks U.S. prices have declined somewhat and shipments have probably fallen off.

Western Savings

I hold a six per cent savings certificate of Western Savings and Loan Association on which I have paid deposits for about three years. If I wish to cash in on it, there is a deduction to meet expenses. I am not sure whether I can continue to make my payments throughout the 15-year contract. Is the money well secured with them? The association offered to pay me six per cent on advance deposits, withdrawable on one month's notice. I could build up this money to meet my regular payments in case I could not otherwise maintain them. I wonder whether the investment is safe and whether the association can afford to pay six per cent interest.

Western Savings & Loan Association takes installment deposits from certificate buyers and invests them in Dominion of Canada bonds and in small first mortgages. As you know, the rate of interest on Dominion of Canada bonds has been declining, but the association does not hold the major portion of its assets in such securities. The rise in value of Dominion bonds has resulted in a profit to the association, on its holdings. Most of the association's income is derived from first mortgages on urban properties. Since interest rates are higher in Western Canada than in Eastern Canada, it is possible for the association to earn more on its mortgages and to pay more on its certificates than some other lending institutions However, as you can see from the reduction on the rate on new certificates to 4 per cent, rates earned by the association have tended to decline.

The association would probably have difficulty earning 6 per cent on all its certificate deposits. You must remember, however, that only part of the certficates are issued at the rate of 6 per cent and some are as low as 4 per cent. Thus, the average that the association has to pay may not be more than 5 per cent, since much of its growth has taken place during the last few years when the interest rate on its certificates has been lowered.

It is difficult to see how the association can earn 6 per cent on short-term deposits of the character you mention. Ordinarily short-term deposits require the depository to hold short-term assets. Then, if the depositor wants his money, the association can realize quickly on the short-term assets. Short-term assets yield much lower rates of interest than long-term assets such as mortgages. Thus, the association may only be paying 6 per cent on short-term deposits for your convenience. Such deposits are small in volume and so may not unduly drain the association's earnings.

As has been frequently pointed out in The Financial Post, holders of certificates such as yours who do not continue payments throughout the entire period of the certificate stand to suffer. This, of course, is due to the fact that certain expenses in connection with the issue of certificates and the management of the association must be charged against the certificates in the early years.

You appear almost to have got to the point where the values of the certficate are as much as the deposits you have made. Provided the Western Savings and Loan Association continues to be successful, your savings fund will soon start to grow much more quickly than it has in the past. The main point for you to observe is that your payments must be maintained if you expect to get the whole benefit from the savings certificate deposit plan.

The association operates under the supervision of the Manitoba Public Utilities Board, and is subject to monthly audit by accountants approved by the board. This, of course, is a safeguard for the certificate holders. We have had no reason to believe that the association's position will not allow it to meet its certficate obligations. We understand that the association's losses on investments have been of a minor character. It must be remembered that some mortgage legislation in Western Canada has been adverse to lenders. Generally speaking, the association has made many of its loans during the depression and so has made rather careful selections of the mortgage risks. The selection of the mortgagors in this manner, of course, is of vital importance to certificate holders, because if substantial losses were to be suffered then there might be a loss to certificate holders.

Claude Neon

How is Claude Neon General Advertising progressing? Are preferred dividends likely to be resumed soon?

After bond interest and other charges, Claude Neon General Advertising had a net loss of $187,000 in 1934 compared with a loss of $222,000 in 1933. Naturally no dividends are being paid on the preferred shares since the company has not been able to earn bond interest. Business in the first quarter of 1935 showed an improvement of $7,000 in operating results. However, the company's business has not improved to anything like the position which will be necessary before dividends are likely to be paid.

Massey Bond Interest

Is there any likelihood of Massey-Harris Co. passing the interest on its bonds?

Massey-Harris is not earning the interest on its first mortgage bonds. However, the company has written off most of its bad debts and doubtful assets which may enable it to make a better showing hereafter. As you may have noticed from recent articles in The Financial Post, the company's business has increased about 22 per cent this year so far. Last year, the company barely earned any interest on its loans even before allowing for depreciation. There has been no indication that the company will not meet its bond interest but it is in default of sinking fund installments. The company's working capital has been fairly well maintained in view of the difficult period through which it has been going, but sooner or later it will have to earn its bond interest in order to pay it.

Apparently the company has ample resources to pay its bond interest for some time to come even if it is not earned. It is not likely that the interest will be earned in the current year and, of course, all depends on the improvement of 1934 and 1935 going still further if the bond interest is to be earned and sinking fund payments resumed within the next year or two.

Moore Corp.

A customer asks about Moore Corp. stock as an investment. As we have nothing authentic on record concerning this company, we would appreciate any information that you may be able to give us.

Moore Corporation is strong financially, well managed, and has excellent connections both in Canada and in the United States. Its affairs are a good barometer of business conditions generally as demands for business forms of all kinds move up and down with the total of business transactions. It has no funded debt, has eight subsidiaries, and earnings have been coming up. The preferred stock is well protected and common earnings growing. Common dividend has been restored again as business has been improving.

Sault Line Bonds

I have been approached to buy Minneapolis, St. Paul and Sault Ste Marie Railway four per cent bonds due 1938 at what appears a low price. What's wrong with them?

Sault line has been unable to earn interest on its bonds. The C.P.R. guarantees the interest only until maturity of the bonds and apparently does not guarantee the principal. The C.P.R. has had to pay over huge sums to meet the Sault line deficiency of income. Unless there is a substantial improvement in the Sault line's position, the C.P.R. would hardly be likely to continue paying interest after its present guarantee has expired. The U.S. Interstate Commerce Commission recently pointed out the necessity for a reorganization of the M., St. P. and Sault Railway before 1938. Thus, there are several very good reasons why the bonds have an uncertain future and sell at low prices.

Toronto Elevators

I am considering the purchase of Toronto Elevators preferred for an investment. Have dividends in recent years been well covered and what are the prospects?

Toronto Elevators Ltd. earned $14.06 on its preferred stock in the fiscal year ending July 31, 1934, as compared with $10 in the previous year. Dividends at the rate of 7 per cent per annum had been paid regularly on this stock. While the report for the current year will not be available for some months yet, it is believed that this company has done about as well as in 1934. We believe that the public storage elevator operated by the company on the Toronto waterfront has done a capacity business most of the year and in addition sales of special livestock feeds of the company have been on a very satisfactory level.

Looking ahead toward next winter, it is possible that such sales may be somewhat affected by the very large crops now in prospect in eastern Canada.

A favorable factor, however, in the outlook for livestock feed sales generally is the growing improvement in the general condition of eastern Canadian agriculture and with that improvement would come a gain in purchasing power which might result in more livestock being fed. The bulk of the feed sold by Toronto Elevators is used in Ontario.

Consumers Gas

What do you think of common stock of Consumers Gas of Toronto as an investment for a woman in a prairie town?

Consumers Gas common stock is regarded as being of high investment value. The company has a perpetual franchise under which it can charge sufficient rates to earn $10 a share. When earnings exceed $10 a share a fund is built up for reducing rates. When earnings are not sufficient to make up the $10 a share, the company has the right to raise rates so that earnings will be sufficient.

During the last few years, earnings have been insufficient to pay $10 a share, having regard to all the reserves which by law the company is supposed to keep up. Actual earnings, minus actual amounts expended out of these reserves for maintenance and other purposes, have been sufficient to pay $10 a share, however. The company has therefore continued to pay $10 a share. During many years it has issued stock from time to time for expansion purposes and has sold it very much above the $100 par value. The premium thus obtained by the company has been put in a premium account and there is nearly $7 millions available for dividends. The dividend, therefore, is well protected for some years. Earnings have improved somewhat recently.

Maclaren-Quebec Power

Is interest on Maclaren-Quebec Power 5½ per cent bonds going to be paid hereafter when due? Where does the company stand in relation to the Ontario Hydro?

There has been no intimation that Maclaren-Quebec Power Co. will not pay the interest charges on its bonds. Interest has been paid to date and the next payment is due September 1.

Last year the company's earnings were not disclosed separately being combined in the income account of the parent company, Maclaren Power and Paper Co. This company earned all bond interest by a small margin after allowing for depreciation and depletion in 1934.

The company is involved in the dispute with the province of Ontario as to whether the contract to sell power to the Ontario Hydro Commission will be maintained inviolate. This is the chief source of revenue for Maclaren-Quebec Power Co. which at present is prepared to deliver 67,000 h.p. of energy to the Ontario Hydro. The Hydro has refused to accept the last 27,000 h.p. which became due for delivery July 1, 1935. Previously the company had only been delivering 40,000 h.p. and the increase of 27,000 was called for under its contract. Although the Hydro is not taking delivery of this power, Premier Hepburn of Ontario stated recently that the province would continue to pay for the power until some settlement of the vexatious contract question was reached.

The Maclaren-Quebec contract rise to 100,000 h.p. next July 1, and then to 125,000 h.p. The company, however, may have the deliveries of power to the Ontario Hydro deferred by the province. It still seems probable that Ontario will make some effort to have changes made in the contract. The outcome is, of course, uncertain. It is possible, however, that the company will still be able to meet bond interest even if part of its Hydro deliveries are deferred. If the whole contract were cancelled by the Hydro, the company would be unable to meet its interest charges in full.

Easy Washing Machine

I do not recall having seen any comments on the Easy Washing Machine Co. for some time past. Several months ago I purchased a small block of stock which at that time had been showing some activity on the exchange, but for several weeks there has been practically no sales of this stock. Can you give me any information as to the progress the company is making?

As you may recall there was a very substantial improvement in business by Easy Washing Machine Co. last year and we understand that this improvement is being maintained. Some lines are substantially better than last year and some not quite so good which would leave the general average of business for the first six months of the current year equal to the first six months of 1934. For the nine months ended Dec. 31, 1934, the company had a profit after taxes, depreciation, and all other general expenses of almost $3,000 as compared with a net loss of almost $30,000 for the 12 months ended December 31, 1933. For the first quarter of the present year, export sales were reported officially by the company as being 80 per cent of the 1934 total and domestic sales of the rotary dryer type 58 per cent higher than for the first quarter of 1934.

Canadian Pacific

I will appreciate your opinion of Canadian Pacific Ry. I have 50 shares, should I sell or buy more?

In a time of high industrial activity, especially, if a foreign demand for Canadian wheat revives to something like the old volume, the possibilities of C.P.R. advance in earnings would be encouraging.

On the other hand, the railways of Canada face exactly the same highway competition of buses and trucks and passenger automobiles as they do in the United States. The railroads are attempting by improved services and by competition themselves on the highways to stop this drain on freight revenue and have had some success although not at profitable rates.

The president of the C.P.R. states that it is necessary to have fusion of the two railroads from an operating standpoint in order to put both on a profitable basis. There is considerable political opposition to this move; therefore the railway situation remains in Canada difficult to assess as far as the future is concerned.

Consolidated Paper

I have Consolidated Paper Corp. bonds. What are prospects for resumption of bond interest?

Consolidated Paper Corp. just earned enough in the year ended March 31, 1935, to make a write-off of $1.1 millions to depreciation. No such write-off has been made in two previous years. Nearly $3 millions more would be needed to look after bond interest.

At the company's annual meeting held on June 27, the president said that no increase in the price of newsprint was in sight for 1935 and that he was only hopeful that it would materialize in 1936. There is still 25 per cent extra capacity of Canadian newsprint mills. Also the company in better earning times will have to make up a working capital deficit.

Mining Enquiries

Reno Gold Mines

I would be greatly obliged for your opinion of Reno Gold Mines. I would also appreciate if you could tell me if their present dividend of five cents per share will continue to be paid quarterly.

Reno Gold Mines is operating a producing gold mine south of Nelson, B.C. Production began in August, 1929, but was suspended in February, 1932, due to a fire. Early in 1933 following the collection of the insurance, the company acquired and rehabilitated a mill at the property adjacent to its original holdings and production was resumed. June production at this property totalled $55,150 as compared with $63,700 in May. The reduction in value is due to cleaning up broken ore which carried lower values than the regular mine values and monthly production at this property regularly runs between $62,000 and $70,000. At the annual meeting of the company, held recently, it was stated that it is expected to continue dividend payments at the rate of 3c. per quarter. On July 2, 1935, in addition to the regular 3c. quarterly dividend, an extra dividend of 2c. per share was paid. Indications thus far at Reno are to the effect that while the property will never be a large producer, it will under present able manager, be a profitable small one.

Ribago Copper Corp.

As a subscriber to your paper would you kindly forward us any information you may have concerning the stock of Ribago Copper Corp.

Ribago Copper Corp. has, as its chief interest at the present time, 18 claims in Greenlaw Twp., Swayze area of Ontario, acquired in 1933. Surface work was done at that time and the claims are still in good standing, although there is no activity on the property at the present time. Recently the company was de-listed from the mining section of the Toronto Stock Exchange for failure to comply with the regulations of the Exchange. No financial statement has been issued, but it is known that a reorganization will be necessary before the company can carry on. The entire authorized capitalization of 4,000,000 shares, no par value, has been issued. At the present time this proposition has little or no attraction either as a speculation or as an investment.

Siscoe Gold Mines

Could you tell me if the lawsuits against Siscoe Gold Mines have been settled satisfactorily? I would also like the latest information regarding production, management and dividends.

All the actions brought against Siscoe Gold Mines have been settled in favor of the company with the exception of a minor suit, still we understand before the courts involving certain water rights This suit is not important and even should it be decided against the company, it would not impair the company to any worth while degree.

At the present time Siscoe is producing bullion at the rate of about $183,000 per month. June production was valued at $182,935 as compared with $182,382 in May, and $183,096 in April. Millheads are averaging around $15 per ton.

For the quarter ended Mar. 31, 1935, the company earned $0.57 per share. In May directors declared a dividend of 5 cents per share payable June 15. The previous quarterly dividend paid on March 15, 1935, was 4 cents per share with a bonus of 3 cents paid on the same date. Thus the dividend rate of the company has been increased.

Financially, during 1934, the company improved its working capital position which now stands at $749,753 as compared to $565,143 as at December 31, 1933.

Owing to the somewhat erratic but high grade nature of the ore shoots, it is difficult to estimate accurately ore reserves. The official estimate however, as at December 31, 1934, placed ore reserves at 283,426 tons which is a substantial increase over ore reserves at the end of 1933. Earnings per share have steadily increased with every annual report, the company earning in 1934 the equivalent of 26 cents per share as compared with 19 cents a share in 1933 and 12 cents a share in 1932.

This record reflects the quality of the management which this company enjoys

Cons. Oil Productions

I am a holder of preferred and common shares of Consolidated Oil Royalties Inc. I understand that this company has changed its name to Consolidated Oil Productions Inc. How does this change affect the status of the present holders of preferred and common stock?

It is an extremely difficult thing to give an analyzed opinion of the possibilities of such companies as Consolidated Oil Production. The nature of the company's earnings based on interests in the fractional flow from wells frequently under proration, and subject not only to economic influences but also to intermittent production, practically precludes any estimation of what earnings might be over a term that would return the capital investment. When, as in this case, these operations are in foreign country far removed from the watchful eye of the investor, some of the hazards are better understood.

It cannot be denied that in some cases the yield is high for a period, and this attracts many investors. It should be remembered, however, that the marketability of this class of securities is very low and marketability is an important factor in the selection of securities.

As to Consolidated Oil Production the company was, as you state, formerly known as Consolidated Oil Royalties. While the financial statement for 1935 has not as yet, we believe, been published, the balance sheet as at June 30, 1934, showed current assets of nearly $25,000. As opposed to these current assets, the current liabilities of the company are shown at $334. These liabilities, however, do not take into account a bank loan amounting to $65,420 and payable in nine monthly equal payments. In addition, there are accounts payable, in 12 equal monthly payments totalling $49,705. Both these items, in view of the fact that they were payable at such short notice, should really be considered as current assets. From that angle, you can see that the working capital of this company was not, at the date of this report, particularly bright.

We regret that we are not in a position to inform you as to whether the transfer of certificates from Consolidated Oil Royalties to Consolidated Oil Production affected the status of preferred and common stockholders. Might we suggest that you get in touch with the company direct which would be quicker than if we were to get the information for you? The address of the company is 1410 Stanley Street, Montreal, Que.

CANADIAN SECURITIES

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TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

Rackets

Revoking Leases

IMPROVEMENT in the summer tourist business this year has opened up the old field, of leases broken for a consideration.

Last June a business man in Eastern Canada took a week-end off with his family to scout around for a summer cottage for August. Delayed in getting away he was in a hurry when he came to the lake and rather hurriedly made a selection. The agent told him that the season was getting late and he would have difficulty in getting supplied with anything at a reasonable rate. The deal was closed promptly.

The renter in this case was distinctly under the impression that the house was equipped with electricity and was well supplied with other conveniences as well.

Journeying up in late July to take over the property, he was very disappointed. While the cottage was wired it had never been connected up with any power line. The whole building was in a bad state of repair. The beach, now that the water was lower was far from satisfactory. The location was dark and crowded. In the meantime several other properties had been offered which were much more attractive.

The rental in the first case had amounted to $300. This tenant went to the agent to see what could be done about having the lease revoked. He was then told an altogether different story. It was claimed that it would be difficult to rent this particular cottage at such a late date. At first all consideration was refused. After a little while, however, the agent finally agreed to return the lease for a payment of $100. He then turned around and rented the property to another party at almost the full rate.

In fact, his hesitation in meeting the tenant's wishes had been assumed from the very beginning. At the time the lease was signed he was hopeful that the property would later be thrown back on his hands for a consideration. While he was complaining about the difficulty of renting to a fresh tenant all the time he had several other prospects in view.

In several instances, it is believed that cottages have been rented two or three times on this basis with the agent pocketing a very large consideration each time the lease is broken or changed from one property to another. Apparently the plan is to get a tenant signed up for a cottage he is almost certain to find far from satisfactory on final inspection. Husbands, unaccompanied by their wives, are the best victims as they seem to make only a casual inspection.

Gazette Report Errs on London & W. Trusts

There is no truth in the recent report in the Alberta Gazette, official provincial publication, to the effect that the London & Western Trusts Co. has been merged with the Royal Trust Co.

London & Western Trusts Co. has been changing its trust business in Alberta, it is understood. In the notification that the company's operations were altered in Alberta, the Alberta Gazette was in error in reporting that London & Western had been merged with the Royal.

Farm Education

Vocational courses in agriculture for boys and home economics for girls will be established by the Manitoba Department of Education in the Brandon Normal School this fall.

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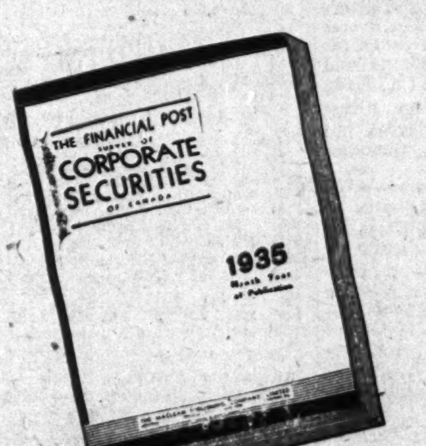

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McCLARY — SINCE 1847 — QUALITY GOODS

GENERAL STEEL WARES LIMITED

This company was formed in 1927 to acquire and operate The McClary Manufacturing Company, The Sheet Metal Products Company of Canada Limited, The Thos. Davidson Manufacturing Company, The Macdonald Manufacturing Company Limited and The Happy Thought Foundry Company. Shortly after the formation of this company, the firms of A. Aubry & Son Limited, of Montreal and E. T. Wright Limited, of Hamilton, were included. The McClary business dated back to 1847, the Davidson business to 1858 and the Sheet Metal Products business to 1867.

Advertising of the company appears in—

Maclean's
Canada's National Magazine

Hon. H. H. Stevens's Charges Repudiated By Two Firms

"Untrue" and "incorrect" are terms applied by Canada Packers and General Motors of Canada to charges made by Hon. H. H. Stevens in a speech at Winnipeg.

James S. McLean, president Canada Packers, Ltd., said it was untrue that his company had handled 59 per cent of the Canadian business and that it was piling up an increasing surplus which in six years would enable it to pay for all plants controlled.

Profits Were Low

"These statements," said Mr. McLean, "are obviously an attempt to make political capital by inciting farmers against packers to the injury of business and the special injury of agriculture. Our company's profits on livestock during the last year were less than one-tenth of one cent per pound. The packing industry as a whole has lost money over the past 15 years.

"Mr. Stevens' attacks in the last two years have centred chiefly on cattle prices because they have been very low. He has many times made the charge that packers conspired to keep them low. Both cattle and hog prices are now at a satisfactory level and both for the same reason: an export market is available which takes the surplus. Everyone in Canada understands this except Mr. Stevens. Packers deserve no credit for the present good prices just as they deserve no blame for the previous low prices."

General Motors Objects

General Motors of Canada in a statement from Oshawa take exception to Hon. Mr. Stevens's statement that he had information that after a man became 45 years old such firms as the General Motors of Canada and the Ford Motor Co. had little use for him in their factories.

"We have about 1,000 workmen on the payroll today who are over 45 years of age," said the General Motors statement. "Some of them have been with us from 35 to 40 years. Our practice in taking on new employees—and of course recently there have not been many taken on because we have been absorbing our former employees—is quite naturally to engage younger men who have not given the best part of their lives to other work."

LUMBER, GRAIN TO FEEL BRUNT JAP TRADE WAR

50 Per Cent Surtax Added to Present Stuff Duties

From Our Own Correspondent

OTTAWA.—While hope still prevails at Ottawa that a last minute adjustment with Tokio will bring about rescission of the surtaxes and an end of the trade war, the complete facts with respect to the Japanese surtax have been made public.

This surtax, as the 33 1/3 tax levied by Ottawa on Japanese goods, will not apply to goods in transit at the time the taxes were imposed. The date is July 20 and the in transit period is expected to last until about August 10.

Lumber Hard Hit

The following commodities will be affected by the Japanese surtax, which is a straight 50 per cent ad valorem tariff, in addition to existing duties: wheat, flour, starch, mechanical pulp for paper making, wrapping and match paper, felts for paper making and lumber. The lumber item is all-embracing.

The ordinary Japanese tariff to which the 50 per cent surtax is to be added on these items, is as follows:

Article:	Present Tariff
Wheat	33c. per bush.
Flour	95c. per 100 lb.
Flour	10% advalorem
Starch (exclud. corn starch)	60c. per 100 lb.
Mechanical pulp for paper	6½c. per 100 lb.
Other pulp for paper	8c. per 100 lb.
Wrapping & match paper	70c. per 100 lb.
Felts (paper making)	$23.20 per 100 lb.
White cedar (small)	$9.10 per M.
Do., (large)	5.00 " "
Red cedar & hemlock (small)	5.75 " "
Do., (medium)	5.10 " "
Do., (large)	3.40 " "
Logs and cants	3.05 " "
Spruce, pine, etc. (small)	4.10 " "
Do., (large)	2.50 " "
Douglas fir (small)	4.70 " "
Do., (medium)	3.85 " "
Do., (large)	2.30 " "
Logs and cants (large)	free
Do., (small) .... $1.35 to	1.70 " "
Unenumerated wood	25 per cent

Suburban Rapid Interest Will Be Passed August 1

The interest payment on Suburban Rapid Transit Co. first mortgage 30-year five per cent gold bonds will not be paid on the due date, August 1.

Notice has been given to all holders that payment is being withheld pending the submission of a consolidated plan to the holders of the various classes of bonds, debenture stock, shares, and other obligations of Winnipeg Electric Company and affiliated companies. The meeting of the Suburban Rapid Transit Company bondholders will be on August 15.

So far as these bondholders are concerned, the proposal is that they will receive in exchange for present bonds an equal principal amount of new bonds of Winnipeg Electric Company (as Consolidated) bearing interest, payable half-yearly, at four per cent per annum from January, 1935, to January, 1942, and at five per cent per annum thereafter. In compensation for the reduced interest rates they will receive common shares and a payment representing interest at five per cent per annum on the present bonds from August 1, 1934, to January 2, 1935.

Chandler & Co. Directs International Utilities

Report of United States Federal Securities Commission as to shareholdings of directors indicates that practically all of them represent complete control by P. M. Chandler & Co., investment dealers.

P. M. Chandler, officer and director, is shown as having ten shares Class B stock, 3,425 warrants for B stock as well as 2,585 shares held through P. M. Chandler & Co., 75,000 Class B options and no direct shares of $3.50 prior preferred but 73 shares through P. M. Chandler & Co.

Ralph P. Buell, director, holds 357 warrant for B stock, 10 shares of $3.50 prior preferred through P. M. Chandler & Co. and none direct.

H. Williams, Jr., officer and director, hold 357 warrants for B stock and 10 shares of $3.50 prior preferred through P. M. Chandler & Co. as well as 453 shares $3.50 prior preferred direct. He also holds 594 shares of $1.75 preferred and 10,000 Class B options.

E. W. McMahon, director, is shown as having no shares.

Distillers Corp.-Seagrams Is Having Profitable Year

From Our Own Correspondent

MONTREAL.—Samuel Bronfman, president Distillers Corp.-Seagrams, Ltd. told shareholders at the annual meeting adjourned from January 5 last that operations are satisfactory in both Canada and the United States. The annual meeting for the fiscal year just closing will be held in the fall and the statement to be presented there, he was sure, would prove gratifying to shareholders.

The United States subsidiary, Seagram Distillers Corp., reports high favor being shown in the United States to the bottled in bond whiskies and to Seagrams 5-crown and 7-crown blended whiskies especially. On April 29, 1935, ten months after the introduction of the Crown whiskies on the market, there was celebrated at the Seagram plant in Lawrenceburg, Virginia, the shipment of the 40 millionth bottle.

Mr. Bronfman said it was the intention to place a lower-priced line of merchandise on the United States market through the Julius Kesser Distilling Co., Inc., a wholly-owned subsidiary. With this the company hoped to get a share of the volume market.

Bacon to Great Britain

Canada is now the second largest supplier of bacon to Great Britain, shipping close to 900,000 cwt. a year.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, c.	20c	Sept. 2	Aug. 15
Do., bonus	20c	Sept. 2	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Bk. of Montreal	$2	Sept. 3	July 31
Beld. Cort. pfd	$1.75	Sept. 14	Aug. 31
Bank of Toronto	$2.50	Sept. 3	Aug. 15
Buffalo Ankerite	5c	Aug. 15	Aug. 1
Can. Converters	50c	Aug. 15	July 31
Can. Bk. of Com.	$2	Sept. 1	July 31
Canadian Oil, c.	12½c	Aug. 15	Aug. 1
Champlain Oil, pf.	15c	Aug. 15	July 31
Can. Hy.-El., 1st pf.	$1.50	Sept. 2	Aug. 1
Dom. Bridge	30c	Aug. 15	July 31
Dom. Coal, pfd.	†$1.75	Aug. 10	July 31
Gurd, Chas., pfd.	$1.75	Aug. 15	Aug. 1
Hollinger Mines	5c	Aug. 12	July 26
Hudson Bay Mine	†50c	Aug. 31	Aug. 9
Langley's, pfd.	‡$1.75	Aug. 15	July 31
Loblaw A & B	25c	Sept. 3	Aug. 14
McIntyre Porc.	50c	Sept. 2	Aug. 1
McLennan, McFeeley & Prior, A	10c	Sept. 30	Sept. 23
Do., B	10c	Sept. 30	Sept. 23
Nat. Biscuit pf.	$1.75	Aug. 31	Aug. 15
Nat. Biscuit, c.	40c	Oct. 15	Sept. 13
Ont. Steel Prod., pf.	$1	Aug. 15	July 31
Old Can. Invest. p.	5%	Aug. 5	July 31
Do., com. A	6%	Aug. 5	July 31
Penmans	75c	Aug. 15	Aug. 5
Pressed Metals	12½c	Oct. 1	Sept. 16
Quebec Power	25c	Aug. 15	July 25
Rolland Paper, p.	$1.50	Sept. 2	Aug. 15
Royal Bank	$2	Sept. 3	July 31
Shawinigan	13c	Aug. 15	July 24
So. Can. Pwr. c.	20c	Aug. 15	July 31
Toburn Gold	2c	Aug. 21	July 29

†Initial. ‡For quarter ended Nov. 15, 1933.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING JULY 29

Range 1935 High	Low	Divd. Rate in $	Y'ld in % July 27		Sales	Close July 22 (or last)	Week Ending July 29 High	Low	Close
				A					
2.00	.55	.	...	Abitibi	600	.65	.70	.65	.65
9½	3	.	...	Do. pref. 6%	340	4	4½	3	4
6½	3	.	...	Do. cert. dep.	....	3½	..	..	..
5	5	.	...	Acadia Sugar	....	5	..	..	..
7	3	.	...	Acme Glove	....	3½	..	..	..
45	32	3.25	8.1	Do. pref.	....	40	..	..	..
9½	7½	40+20c	4.4	Agnew Surp.	100	9½	9	9	9
100	96	7	7.1	Do. pref.	110	98	98½	98½	98½
3½	1	.	...	Alta. Pac. Gr.	45	2	2	2	2
29	17½	.	...	Do. pref.	....	18	..	..	..
25	25	.	...	Aluminium	....	25	..	..	..
2	1½	.	...	Amal. Electric	....	2	..	..	..
18	15	.	...	Do. pref.	....	17	..	..	..
21½	18	.	...	Amer. Cyn. B.	....	21½	..	..	..
30⅞	25	.	...	Amer. Celanese	....	25	..	..	..
13⅞	6	.	...	Asbestos v. t.	554	12⅞	13½	12⅞	13½
13⅞	10½	25c	...	Assoc. Brew.	20	12⅞	12½	12½	12½
110	104	7	6.5	Do. pref.	10	107	107½	107½	107½
24½	3	.	...	Assoc. Can.	....	3	..	..	..
				B					
66½	55	2.52	...	Bank of Canada	245	60	60	59½	59½
132	126	8	6.3	Bk. Can. Nat.	27	128	127	127	127
204	172	8	4.3	Bk. Montreal	100	185	186	185	185½
305	260	12	4.4	Bk. N. Scotia	130	265	275	265	271
235	200	10	5	Bk. Toronto	123	200	200	200	200
11	11	50c	...	Barcelona	....	11	..	..	..
6⅞	4½	.	...	Bathurst Pr.	1955	6	6⅞	6	6⅞
2.00	1.00	.	...	Do. (B)	....	1.30	..	..	..
3.00	.50	.	...	Bawlf Grain	....	.50	..	..	..
40	20	.	...	Do. pref.	....	22	..	..	..
3	3	.	...	Beath & Sons	....	3	..	..	..
15	8½	.	...	Beatty Bros. A.	20	10	10	10	10
93	85	6	6.5	Do. pref.	50	92	92½	91	91
7½	2½	.	...	Beauharnois	354	3½	3½	2½	3½
98⅞	85	4	4.2	Belding Cort.	....	96	..	..	..
120	116	7	5.8	Do. pref.	....	120	..	..	..
135⅞	118	6	4.6	Bell Telephone	525	131	131½	129	130
17	13	1.50	...	Biltmore Hats	32	17	17	16½	16½
110	97½	7	6.4	Do. pref.	....	110	..	..	..
4	3½	.	...	Bissell, T. E.	....	4	..	..	..
30	25	.	...	Do. pref.	10	30	27	27	27
3½	2	.	...	Blue Ribbon	....	2	..	..	..
29	19	2	10.5	Do. pref.	....	19	..	..	..
30	27½	2	6.8	Brant. Cord. pf.	110	29½	29½	29½	29½
10⅞	8½	.	...	Brazilian Tr.	5109	8½	8⅞	8½	8½
.95	.50	.	...	Brew. & Distil.	2375	.55	.65	.50	.60
4½	2⅞	.	...	Brewing Corp.	3090	3½	3½	2⅞	3½
22⅞	15⅞	1.50	7.5	Do. pref.	116	20½	20½	18½	18½
14	11	30c	2.7	Bright, T. G.	....	11	..	..	..
77½	75	6	8	Do. pref.	....	75	..	..	..
16⅞	13⅞	80c	5.1	Brit. Amer. Oil	2191	15½	16	15½	16
1.75	.55	.	...	B. C. Packers	225	.65	.70	.65	.70
18	13	.	...	Do. pref.	17	13	13	13	13
30½	21	1.50	6.4	B. C. Power A.	1125	22½	23½	22½	23½
5	2	.	...	Do. (B)	91	2⅞	3	2⅞	2⅞
1	1	.	...	B.E. Steel, 2nd p	....	1	..	..	..
17⅞	14⅞	1.20	7.4	Bruck S. Mills	220	16	16⅞	16	16⅞
31⅞	26⅞	1	3.2	Building Prod.	511	31½	31½	30⅞	31½
34½	29⅞	2	6.1	Burt, F. N.	330	33	33½	33	33½
				H					
5½	3	.	...	Ham. Bridge	75	3½	3½	3½	3½
33	18	.	...	Do. pref.	25	19½	19	18	18
30½	24	50c	...	Ham. Cot., pf.	60	25	24½	24	24
2½	1	.	...	Ham. U. Theat.	....	1½	..	..	..
60	50	1	...	Do. pref.	15	52	52	52	52
3½	2½	.	...	Harding Carpet	21	2½	2½	2½	2½
12	10	12½c	...	Hinde & Dauch.	55	10⅞	11	10⅞	10⅞
6	5½	.	...	Holt Renfrew	....	6	..	..	..
30	30	.	...	Do. pref.	....	30	..	..	..
.80	.15	.	...	Honey Dew	600	.35	.35	.35	.35
8	6	.	...	Do. pref.	50	7	7	7	7
13	9	.	...	H. Smith Pap.	490	9½	9½	9	9
95½	84	.	...	Do. pref.	80	90	90	90	90
32	28	2	6.4	Humberstone S.	....	31	..	..	..
11	6	.	...	Hunts (A)	....	6½	..	..	..
11	7	.	...	Do. (B)	....	7	..	..	..
103	90	6	6.4	Huron & E. Mt.	....	93½	..	..	..
17½	15	.	...	Do. 20% pd.	....	15½	..	..	..
3½	3	.	...	Hydro Electric	....	3½	..	..	..
				I					
208½	178	10	5.5	Imperial Bank	75	180	180	179	180
22½	15⅞	50+37½c	4.4	Imperial Oil	5275	19⅞	19⅞	19	19½
14	12	52½c	3.3	Imperial Tob.	6782	13⅞	14	13⅞	13⅞
17	17	1	...	Inter City Bak.	....	17	..	..	..
42	25	3	...	Inter'c Coal	....	42	..	..	..
100	100	8	8	Do. pref.	....	100	..	..	..
b2½	1½	.	...	Int. Hyd. E. A.	1500	2	2½	2	2½
6	3½	.	...	Int. Metal Ind.	....	4½	..	..	..
45	37	.	...	Do. pref.	....	38	..	..	..
114	105	7	6.3	Inter. Mill., pf.	5	110	110½	110½	110½
103½	102½	6	5.8	Do. Series A.	....	103½	..	..	..
29½	22½	60c	2.2	Inter. Nickel	23932	27⅞	28½	27½	28½
4½	2	.	...	Inter. Paints	....	2½	..	..	..
b3	1½	.	...	Int. Pa. & P. A.	500	1½	1½	1⅞	1⅞
b1½	⅞	.	...	Do. (B)	....	⅞	..	..	..
b1½	⅞	.	...	Do. (C)	500	⅞	⅞	⅞	⅞
b12	4½	.	...	Do. pref.	4600	7⅞	8⅞	7⅞	8⅞
39½	28½	1.50+50c	5.8	Inter. Pete.	6910	34½	35½	33½	34½
6	1	.	...	Inter. Power	15	1⅞	1⅞	1⅞	1⅞
64	40	1	...	Do. pref.	90	45½	41	40	41
13⅞	12½	.	...	Inter. St. Rly. A	....	13⅞	..	..	..
2	2	.	...	Do. (B)	....	2	..	..	..
2½	1½	.	...	Int. Util. (A)	200	2⅞	2⅞	2⅞	2⅞
.50	.25	.	...	Do. (B)	....	.25	..	..	..
				J					
22	22	1	4.5	Jam. Pub. Ser.	....	22	..	..	..
120	115	7	5.8	Do. pref.	....	120	..	..	..
				K					
8⅞	6½	.	...	Kelvinator	....	7	..	..	..
106	102	7	6.6	Do. pref.	....	105½	..	..	..
				L					
13½	7	.	...	Lake of Woods	30	8	8	8	8
101	84	.	...	Do. pref.	30	84	84	84	84
75	60	5	...	Landed Bank	....	60	..	..	..
4	3½	.	...	Langley's	....	3½	..	..	..
80	60	7	8.3	Do. pref.	....	65	..	..	..
63	60	3	4.9	Laura Secord	27	61	61	60½	60½
5	2½	.	...	Lindsay, C. W.	25	2½	5	3⅞	5
40½	39	.	...	Do. pref.	....	40	..	..	..
19½	17½	1	5.2	Loblaw (A)	2342	19	19½	19	19½
18½	17	1	5.7	Do. (B)	762	18	17⅞	17⅞	17⅞

Dominion and Provincial Bonds

July 31, 1935

(Furnished by Toronto Bond Traders' Association)

Dominion of Canada Bonds

		Due	Bid July 31	Asked July 31	Approx. Yield	Bid July 24
Dominion	3½	15 Oct. 1935	100.30	100.60	.57	100.30
Dominion	4	15 Oct. 1935	100.40	100.70	.58	100.40
Dominion	2	15 Oct. 1936	100.25	100.65	1.46	100.25
Dominion	5	15 Nov. 1936	104.15	104.45	1.55	100.15
†‡Dominion	5	1 Mar. 1937	106.15	106.50	.87	106.20
‡Dominion	5½	1 Dec. 1937	109.60	109.90	1.21	109.35
Dominion	2½	15 Oct. 1939	101.25	101.75	2.06	101.25
Dominion	4	15 Oct. 1939	107.50	108.00	2.01	107.35
Dominion	4½	1 Sept. 1940	110.15	110.65	2.28	110.15
Dominion	5	15 Nov. 1941	112.15	112.65	2.80	112.10
Dominion	3	15 Oct. 1942	102.85	103.35	2.49	103.00
Dominion	2½	1 June 1943	99.85	100.35	2.45	99.75
Dominion	5	15 Oct. 1943	113.15	113.65	3.11	113.20
Dominion	4½	15 Oct. 1944	110.25	110.75	3.15	110.25
Dominion	4	15 Oct. '43-45	106.25	106.75	3.06▲	106.25
Dominion	4½	1 Feb. 1946	110.25	110.75	3.31	110.25
Dominion	3½	15 Oct. '44-49	102.50	103.00	3.12▲	102.25
Dominion	4	15 Oct. '47-52	106.25	106.75	3.31▲	106.15
Dominion	3	1 June '50-55	99.35	99.85	3.02	99.25
Dominion	4½	1 Nov. '46-56	108.85	109.35	3.48▲	108.85
Dominion	4½	1 Nov. '47-57	108.85	109.35	3.55▲	108.85
Dominion	4½	1 Nov. '48-58	109.15	109.65	3.58▲	109.15
Dominion	4½	1 Nov. '49-59	109.25	109.75	3.60▲	109.25

Dominion Guaranteed Bonds

		Due	Bid	Asked	Yield	Bid July 24
*G. T. P. Rly.	3	1 Jan. 1962	99.25	99.75	3.01	99.25
Can. N. Ry.	3	1 May 1944	100.75	101.25	2.84	100.50
Can. N. Ry.	3	15 Dec. '45-50	99.35	99.85	3.01	99.50
*Can. N. Ry.	4½	1 Sept. 1951	111.15	111.65	3.56	111.65
†Can. N. Ry.	4½	15 Sept. 1954	102.65	103.15	4.26•	102.65
*Can. N. Ry.	4½	1 Feb. 1956	112.00	112.50	3.84	112.25
†Can. N. Ry.	4½	1 July 1957	110.25	110.75	3.78	110.50
*Can. N. Ry.	4¾	15 June 1955	114.25	114.75	3.70	114.50
Can. N. Ry.	5	1 Feb. 1954	114.50	115.00	3.88	114.65
*Can. N. Ry.	5	1 July 1969	114.15	114.65	3.55▲	114.50
*Can. N. Ry.	5	1 Oct. 1969	116.50	117.00	3.73▲	117.00
*M. Harb. C.	5	1 Nov. 1969	116.75	117.50	3.69▲	117.00

Provincial Government Bonds

		Due	Bid	Asked	Yield	Bid July 24
Eastern—						
†N. Bruns.	4½	15 Apr. 1961	108.50	109.25	3.92	108.50
†N. Bruns.	5	15 Jan. 1960	114.00	115.00	4.03	114.00
N. Bruns.	5½	15 May 1950	113.75	114.75	4.17	113.75
N. Scotia	4½	15 May 1943	107.50	108.50	3.27	107.00
†N. Scotia	4½	15 Sept. '47-52	108.75	109.50	3.53▲	108.75
N. Scotia	4½	15 May 1961	110.00	111.00	3.83	110.00
†N. Scotia	5	1 Mar. 1960	115.50	116.50	3.96	115.50
*Ontario	4	1 June 1962	105.00	105.75	3.66	105.00
*Ontario	4½	1 Sept. 1944	110.00	111.00	3.10	110.75
Ontario	4½	1 June 1950	108.35	108.85	3.72	108.25
*Ontario	4½	15 Jan. 1962	109.00	110.00	3.89	109.00
Ontario	5	15 Oct. 1948	111.25	112.00	3.83	111.25
*Ontario	5	2 Dec. 1960	115.75	116.50	3.96	116.00
*Ontario	5½	1 July 1946	114.25	115.00	3.82	114.50
O. H. C.	3½-4-5	1 Oct. '33-52	100.25	101.00	1.96▲	100.25
*Ont. Hyd. C.	4	1 Aug. 1957	103.75	104.50	3.70	103.75
Ont. Hyd. C.	4¾	1 Jan. 1970	110.00	111.00	4.14	110.00
Quebec	4	15 Mar. 1952	106.75	107.75	3.39	106.75
Quebec	4¼	1 Aug. 1958	110.25	111.25	3.53	110.50
Quebec	4½	2 Jan. 1963	112.50	113.50	3.71	112.50
Western—						
†Alberta	4	1 Dec. 1957	92.75	93.75	4.44	93.00
†Alberta	4½	1 Oct. 1956	95.50	97.00	4.73	96.25
†Alberta	5	1 Jan. 1948	100.00	101.50	4.83	101.00
Alberta	5	1 Sept. 1955	98.50	100.00	5.00	99.75
*Alberta	5	1 Oct. 1959	101.00	102.00	4.86	101.25
†Alberta	5½	1 Jan. 1947	103.50	104.50	4.99	103.25
Alberta	6	1 Mar. 1947	103.00	104.00	5.53	103.50
†Brit. Col.	4	1 Dec. 1957	93.00	94.00	4.43	93.00
*Brit. Col.	4½	15 Jan. 1951	97.50	98.50	4.64	98.00
†Brit. Col.	4½	1 Oct. 1953	96.50	97.50	4.71	96.50
†Brit. Col.	5	15 Jan. 1948	100.50	101.50	4.83	101.00
Brit. Col.	5	1 Sept. 1953	100.00	101.00	4.92	100.50
Brit. Col.	5½	1 Feb. 1945	101.00	102.50	5.16	102.25
Brit. Col.	6	15 Feb. 1947	103.00	104.50	5.47	104.25
†Manitoba	4	1 Dec. 1957	99.00	100.00	4.00	99.00
†Manitoba	4½	15 Dec. 1956	103.25	104.25	4.19	103.50
†Manitoba	5	15 June 1954	108.00	109.50	4.25	107.50
*Manitoba	5	2 Dec. 1959	109.00	110.50	4.28	108.00
Manitoba	5½	1 Oct. 1955	108.50	109.50	4.76	108.00
Manitoba	6	1 Apr. 1947	109.50	110.50	4.83	109.50
Sask.	4	15 Aug. 1953	89.50	90.50	4.79	90.00
*Sask.	4½	2 July 1945	98.50	99.50	4.56	99.00
†Sask.	4½	1 Oct. 1951	96.50	97.50	4.72	97.00
Sask.	5	1 Aug. 1958	100.25	101.25	4.91	100.50
†Sask.	5½	15 Nov. 1946	104.00	105.00	4.91	104.50
Sask.	6	15 Mar. 1952	107.25	108.25	5.26	107.50

Municipal Bonds

		Due	Bid	Asked	Yield	Bid July 24
†Calgary	5½	2 June 1944	90.00	93.00	6.54	90.00
†Edmonton	5½	1 Nov. 1945	90.00	93.00	6.45	90.00
†Halifax	5	1 July 1961	112.00	113.00	4.18	113.25
Hamilton	5	1 May 1950	101.00	104.00	4.62	101.00
Montreal	5	1 Mar. 1945	104.00	106.00	4.23	104.00
Ottawa	4½	1 July 1945	106.00	109.00	3.43	106.00
†Quebec	5	1 June 1959	107.50	108.50	4.42	107.00
Regina	5	1 July 1944	80.00	85.00	7.30	80.00
St. John	5	15 Dec. 1950	108.00	109.00	4.20	108.00
†Toronto	4½	1 Jan. 1955	108.50	110.50	3.75	108.50
Vancouver	5	1 June 1969	82.00	85.00	6.04	82.00
Victoria	5	21 July 1945	85.00	90.00	6.34	85.00
Winnipeg	5	1 Mar. 1944	102.50	104.50	4.36	102.50

*Payable Can., N. Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N. Y. •Calculated to maturity, although callable prior to that date. ‡Exempt from Dominion income tax.

Active Corporation Bonds

(Furnished by Toronto Bond Traders' Association)

July 30, 1935

	Int. Rate	Due	Bid July 30	Asked	Bid July 23
Public Utility Issues:					
‡Avalon Telephone	5½%	1948	100	...	99½
Beauharnois L. H. & Pwr.	5½%	1973	93½	95½	94
Beauharnois Power Corp.	5%	1973	36	38½	37
*Bell Telephone	5%	1955	112½	115½	112½
*Bell Telephone	5%	1957	116½	119½	116
†B. C. Power	5%	1960	98	101	98
†B. C. Power	5½%	1960	101	104	101½
†B. C. Telephone	5%	1960	104½	107	105½
†Calgary Power	5%	1960	100	102½	100
Calgary Power	5%	1964	97½	100½	97½
†Canada Northern Power	5%	1953	101	104	101
†Cedars Rapids Mfg. & Pwr.	5%	1953	111½	113½	111
Dominion Gas & Electric	6½%	1945	81	84	80
‡Duke-Price Power	6%	1966	104½	106½	104½
*Gatineau Power	5%	1956	88	90½	87
*Gatineau Power	6%A	1941	75	77½	74
*Gatineau Power	6%B	1941	74½	77	73
*Internat'l Hydro-Electric	6%	1944	43	46½	42½
†Maclaren-Quebec Power	5½%	1961	70	73	72½
Maclaren-Quebec Power	5½%	1964	69	72	71½
*Manitoba Power	5½%	1951	52	55	50
†Montreal Island Power	5½%	1957	103	106	103½
†Montreal L. H. & Pwr.	5%	1951	105	107½	106
†Montreal L. H. & Pwr.	5%	1970	106½	108½	107
†Montreal Public Service	5%	1942	105½	...	105½
†Montreal Tramways	5%	1955	83½	86½	83
†Montreal Tramways	4½%	1955	80	83	80
†Montreal Tramways	5%	1941	100	103	100
National Light & Power	6%	1949	92½	95½	92
†N. S. Light & Power	5%	1958	102	...	101½
†Ottawa Lt., Heat & Pwr.	5%	1957	104	107	104
†Ottawa Valley Power	5½%	1970	92½	95	92½
†Power Corp.	4½%	1959	84	86½	84
†Provincial Light & Pwr.	5%	1946	105	...	105½
*Quebec Power	5%	1968	104	106½	104
†Shawinigan Water & Pwr.	4½%	1970	98	101	98
†Shawinigan Water & Pwr.	5%	1970	105	108	104½
†Southern Canada Power	5%	1955	104	107	104
†United Securities	5½%	1952	81	84	82
†West Kootenay Power	5%	1956	105½	108	105½
†Western Power Co.	5%	1949	104½	107	104½
*Winnipeg Electric	5%	1935	98	...	98
*Winnipeg Electric	6%	1954	53½	56½	50½
Industrial and Realty Issues:					
Abitibi Pwr. & Paper	5%	1953	28	31	28
†Acadia Sugar	6%	1946	103½	106	103
†Alberta Pacific Grain	6%	1946	89	92	89½
‡Asbestos Corp.	5%	1942	75½	...	73
Brandram-Henderson	6%	1936	98	...	98
British American Oil	5%	1945	105	107½	105½
British American Oil	4%	1945	99	102	99
Burns & Co.	5%	1958	52½	...	49
Canada Bread	6%	1941	104½	107½	104
†Canada Cement	5½%	1947	103	106	103
†Canada Paper	6%	1945	100½	...	100
‡Canada Steamship	5%	1943	99½	...	99
Canada Steamship	6%	1941	42	45	42½
†Canadian Canners	6%	1950	105½	108	105
Canadian Cons. Felt	6%	1940	100	...	100
†Canadian Coppper Refiners	6%	1945	■105½	...	105½
Can. Goodrich	7%	1943	99½	...	99½
*Canadian Internat'l Paper	6%	1949	65	68	65
C. P. R.	6%	1942	108	110½	108½
C. P. R.	4½%	1944	97	99½	97½
*C. P. R.	5%	1954	106	108½	106
C. P. R.	4%	1949	95	98	95½
▲C. P. R. Perp. Debs.	4%	....	....	...	87½
†Canadian Vickers	6%	1947	74	77	74
Consolidated Paper	5½%	1961	13	16	13½
Debenture & Security	4%	1936	90	...	90
†Dominion Canners	6%	1940	109½	...	109½
†Dominion Tar	6%	1949	99	102	98½
Dom. Wool. & W. (with stock)	6%	1948	14	18	14
†Eastern Dairies	6%	1949	87	90	88½
Eaton T. Realty	5%	1949	101	103½	101
†Famous Players	6%	1948	102½	105	102
†Famous Players	6½%	1948	95	98	95½
†Federal Grain	6%	1949	91	94	91
Fraser Cos. (unstamped)	6%	1950	50	53	49½
Fraser Cos. (stamped)	6%	1950	43	46	43
†General Steel Wares	6%	1952	94	97	93
Great Lakes Paper	6%	1950	39½	42½	37½
†Gypsum, Lime & Alabast.	5½%	1948	87½	90½	86
Hamilton Cottons	5½%	1948	101½	104½	101
*Hamilton By-Prod. Coke	7%	1943	102½	105	102½
*Hinde & Dauch	5½%	1948	102	104½	102½
†Internat'l. P. & P., Nfld.	5%	1968	100	102½	100
Kingston Elevator Co.	6%	1950	82	85	82
Lake St. John Pwr. & Pap.	6½%	1947	57½	60½	58½
†London Can. Invest.	4½%	1948	78½	...	78
London Realty	6%	1950	88½	...	88
†Massey-Harris	5%	1947	86	88½	85
McColl-Frontenac	6%	1949	104½	106½	104½
Metropolitan Building	7%	1944	101	...	101
Minn. & Ont. Paper	6%	1945	13½	16½	14
*Montreal Coke	5½%	1947	103	106	103½
‡Montreal Cottons	5%	1947	99½	...	99½
National Grocers	6%	1948	105	107½	105
Northern Ont. Bldg.	6½%	1939	95½	98½	95½
†Penmans	5½%	1951	109½	...	109½
*Provincial Paper	5½%	1947	102	...	101½
Queen's Hotel	6%	1947	82½	85½	82
*Reliance Grain	6%	1948	99	102	99
Richmond Bay Bldg.	6½%	1947	93	96½	93½
‡Riordon Pulp & Paper	6%	1942	104	...	104
†Rolland Paper	5½%	1948	102½	...	102½
Ruddy & Co., E. L.	6½%	1948	87	90	88
St. Lawrence Flour	6%	1941	103	...	103
†Simpsons Ltd.	6%	1949	103½	106	103
†Smith, Howard	5½%	1953	104	106½	103½
‡Steel Co. of Canada	6%	1940	111	114	111
Toronto Carpet	6%	1944	102	...	102
United Amusement	6%	1942	97½	...	97½
United Grain Growers	5%	1948	91½	94½	91½
United Grain Growers	5½%	1949	96	99	96
‡Wabasso Cotton	6%	1947	102	...	102
Wabasso Cotton	7%	1942	104½	...	104½
Woods Mfg.	6%	1943	101	...	101
Zimmerknit Mfg. Co.	6%	1951	98	101	98

‡Payable in U. S. only. *Payable in Can. or U. S. †Payable in Can., U. S., or U. K. ‡Payable in Canada or U. K. ▲Payable in N. Y. ■Called Aug. 15.

Unlisted Mining Stocks

July 30, 1935

	Bid	Asked		Bid	Asked
Ascot	.27	.29	Horseshoe	.02	.03
Arntfield Gold	.78	.79	Hudson Patricia	.09	.11
Arntfield Synd.	.95	1.00	Jellicoe	.05½	.06½
Adanac	.08	.10	Johnson Nip.	.01½	.02½
Ardeen	..	.07	Kowkash	.08	.10
Athona (Gt. B. L.)	.78	.81	Kirk. Gold Belt	.11	.12
Athabaska Portals	.19	.21	Laguna	.40	.45
Bailor	.01	.02	Lafayette L. Lac	.07	.08
Bidgood Kirk.	.06	...	La Palme	.20	.22
Bankfield Gold	.49	.51	Long Lac Lagoon	.06	.07
Bathurst	.01½	.02½	Lamaque Gold	2.10	2.20
Bosquet Gold	.09	.11	MacFarlane	..	.02
Can. Pandora	...	.06	MacL. Cockshutt	.05	.06
Can. Radium	.29	.31	Magnet Lake	.05	.07
Casey Summit	.06	.07	Matachewan Can.	.13	..
Canusa Mining	.05	.07	McCarthy Webb.	.07½	.08½
Casey Contact	.07	.08	Morrison Mines	..	.20
Central Porc.	.23	.25	Mosher	.02	.03
Cons. Chib. Free	.68	.78	Marbuan	.45	..
Cons. Chib. Pool	.56	.62	N.A.M.E. Un.	18.00	22.00
Columario	.01	.01½	North Shores	.03½	.04½
Chromium M. & S.	.44	.48	Oklend	.23	.25
Cuniptua	.06	.07	O'Leary	.07	.08
De Santis	..	.20	Pamour Porc.	1.95	2.05
Dorval Siscoe	..	4.00	Rice Lake	.02	.03
Dunlop Cons.	.00½	.01½	Sakoose	..	.05
El Bonanza	.11	.13	Shawkey	.42	.45
Forty-Four Gold	..	8.60	Silverado Gow.	.34	.36
Glenora Gold	..	.08½	Smelter Gold	.06½	.08
Galatea	.03½	.05	Smith Cobalt	.16	.18
Garnet L. Lac	.00½	.01½	Straw L. Beach	.15	...
Goldside	..	.07	Sturgeon R. Gold	.75	.80
Gold Eagle	.30	.34	Sun Bear	.18	.20
Greenlaw	.06½	.07½	Thom.-Cadillac	.02½	.03½
Hardrock Un.	47.00	51.00	Wells L. Lac	.09	.10
Hardrock	.49	.51	Wingold	.07	.08
Hislop Gold	.06	.08	Wendigo	..	.14
			Young David	.15	.17

Source of quotations on application. Not guaranteed.

Winnipeg Stock Exchange

(Transactions from July 18 to July 24)

Div. rate in $	Yield in %		Sales	High for period	Low for period	Close July 24
..	..	Canadian Rand	4,000	.05	.04	.04
..	..	Beaver Lumber, pf.	82	69.00	69.00	69.00
..	..	Cres. Creamery, pf.	33	27.00	27.00	27.00
..	..	Flin Flon Synd.	3,900	.20	.18½	.19
..	..	Island Lake	1,000	.03	.03	.03
..	..	Knee Lake	6,500	.34½	.34	.34½
..	..	Smelters Gold	100	.07	.07	.07
..	..	Rice Lake Shs.	1,000	.02½	.02½	.02½
..	..	Shawkey	1,500	.39½	.39	.39
..	..	Oro Grande	1,000	.05	.04½	.04½
..	..	Wingold	4,900	.07	.06	.07
1	6.7	United Grain	62	15.00	15.00	15.00
..	..	Vanson Man.	3,000	.04	.03	.03
..	..	West. Breweries	50	2.00	2.00	2.00

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Fire	..	100	Rel. Grain, pfd.	64½	66½
Beaver Lumber, c.	..	3	West. Grain, pfd.	8	..
City Dairy A	..	10	Can. Amer. Trust	2.85	3.20
Federal Grain	..	1	Can. Inv. Fund	..	3.70
Home Investment	25	..	Fundamental A	4.75	5.25
Federal Grain, pfd.	26½	..	Series B	4.47	...
Monarch L. 10% pd.	..	19	Grouped Inc.	..	4.75
Northern Trust	..	9½			

*Stocks more active on other exchanges not included.

Montreal, Toronto and Curb Markets (Cont'd)

Range 1935 High	Low	Divd. Rate in $	Y'ld in %		Sales	Close July 22 (or last)	High	Low	Close
				V					
2.00	1.45	.	...	Viau Biscuit	75	1.75	1.50	1.50	1.50
20½	12	.	...	Do. pref.	....	20½	..	..	..
				W					
27	16	.	...	Wabasso Cot.	5	16	20	20	20
33	23	.	...	Walker-Good.	26247	30½	29½	25	27½
18½	16½	1	5.8	Walker-Good. p.	1461	18	17½	17½	17½
4.25	2.87	.	...	Walkerville Br.	475	3.25	3.15	2.87	3.00
2⅞	1	.	...	Waterloo Mfg.	....	1	..	..	..
6	2½	.	...	West. C. Flour	6	3	3	3	3
52	20	.	...	Do. pref.	5	25	26½	26½	25½
36	32	50c	...	West. Grocers	....	36	..	..	..
100	95	7	7.1	Do. pref.	....	99	..	..	..
120	120	7	5.8	W. Koot. Pr. pf.	....	120	..	..	..
46½	27	1	3.2	Weston Ltd.	788	32½	32½	31	31½
113	108	7	6.2	Do. pref.	30	111½	111½	111	111
6	1½	.	...	Whittall Can.	420	5½	6	5½	5½
83½	75	6.50	7.7	Do. pref.	....	83½	..	..	..
3	2	.	...	Windsor Hotel	....	2	..	..	..
8	6	.	...	Do. pref.	....	7	..	..	..
2.29	.90	.	...	Winnipeg Elec.	30	1.25	1.25	1.25	1.25
10	4	.	...	Do. pref.	124	7½	8	7½	8
30	30	.	...	Wood, A.&J. p.	....	30	..	..	..
70	55	.	...	Woods Mfg. pf.	10	60	55	55	55
				Z					
5½	4	.	...	Zimmerknit, c.	....	4	..	..	..
85	65	7	10.8	Do. pref.	....	65	..	..	..

† Quotations for 1934. ‡ Quotations for 1933. ¶ Quotations for 1931. No sales recorded in 1935 to date. b New York Quotations. ■ On account of arrears.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

July 30, 1935

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, c.	2.75	3.00
Do., pfd.	4.75	5.00
Acme F. Dairy, p.	40.00	...
Allens Beach, pfd.	50.00	...
Allens Tor. pfd. bonus com.	22.00	...
Aluminum Ltd.	27.50	31.00
Andian National	46.75	47.50
Atlant. Sugar, p.	105.00	107.00
B. C. Pulp pfd.	7.00	10.00
Burns, A	3.25	4.00
Do., B	2.25	3.00
Can. Starch, com.	13.00	...
Do., pfd.	82.50	...
Can. W. & C. pfd.	55.00	57.00
Can. Indus. A	192.00	...
Do., B	191.00	195.00
Do., pfd.	159.00	161.00
Can. Paper. p. bo.	4.00	6.00
Can. Tube 1st p.	28.00	...
Can. Westing.	46.50	48.00
Chase, pfd. bon.	24.00	26.00
Claude N. Adv. U.	2.50	3.50
Copeland Fl. Un.	4.00	6.00
Corrug. P. Box p.	82.00	85.00
Dom. F. & St. com. (New)	17.00	20.00
Do., pfd.	70.00	75.00
Dom. Woollens, c.	.40	.80
Dunlop Tire pfd.	68.00	71.50
East. Dairies p.	12.50	15.00
Edm. C. Dairy, p.	48.00	...
Fed. Grain com.	.50	1.00
Do., pfd.	26.00	28.00
Goderich Elevator	5.25	6.00
Green. Wire pfd.	99.00	102.50
Guelph Carpet p.	97.50	99.00
Do., com.	14.00	15.50
Hayes Wheels pfd.	...	9.50
High. Dairy com.	3.25	4.00
Do., pfd.	78.00	...
Huether Brew. pfd. bonus	3.00	4.00
Inter C. Bak. c.	17.00	19.50
Inter. Met In. A p.	35.00	40.00
Inter. Paints pfd.	19.00	20.50
Loew's London p.	2.00	2.75
Mansf. Theat. p.	24.00	26.00
Massey Harris pfd.	26.50	28.00
Mercury Mills pfd.	6.00	9.00
Morrow Screw p.	95.00	...
New M. L. p. bon.	61.00	65.00
Niag. W. Weav. p.	50.50	52.00
Para. Oshawa pfd.	56.50	...
Perf. Pet. pfd.	15.00	19.50
Prov. Paper pfd.	97.00	99.00
Rel. Grain pfd.	65.00	70.00
Rob. Cons. Cone	8.00	8.75
Rolland Paper p.	85.00	89.00
Ruddy, E. L., pfd.	24.50	...
Std. Fuel p. bon.	101.00	103.00
Supert. Pet. B p.	26.50	28.00
Toronto Carpet p.	31.00	...
United Amuse. B	10.00	12.00
Do., A	10.50	13.00
Un. Steel A pfd.	3.00	4.00
West. Grain p. bo.	10.00	11.50
Insurance Stocks:		
British America	36.00	40.00
Canada Life	442.00	...
Canadian Fire	73.50	80.00
Can. Ins. Sh. com.	10.00	12.00
Con. L. 20% pd.	122.00	125.00
Cont. L. 20% pd.	35.50	40.00
Crown Life	104.00%	...
Dominion Fire	105.00	...
Dom. L. 50% pd.	260.00	300.00
Dom. Can. Gen. In.	...	92.50
Emp. L. 25% pd.	2.50	4.50
Excels. L. 30% pd.	69.00	74.00
Fed. F. 25% pd.	35.00	40.00
Fidelity of Can.	44.00	49.00
Gt. West Life	395.00	405.00
Guar. of N. A. fully pd.	240.00	...
Imperial Life	306.00	...
Manuf. Life	241.00	247.00
Mon. L. 10% pd.	16.50	18.00
Nat. L. 25% pd.	53.00	57.00
Sover. L. 25% pd.	15.00	18.00
Sun Life	405.00	415.00
Tor. General	4.25	5.00
West. Assur. com.	35.00	37.50
West. Assur. pfd.	40.00	...
West. Emp. L. 20% pd.	...	8.75
Trust & Loan Stocks:		
Chartered Trust	75.00	...
London & West.	34.00	37.00
Premier Trust	87.00	92.00
Sterling Trust	30.00	35.00
Traders Fin. B p.	60.00	...
Traders Fin. c.	.60	...
Trusts & Guar.	34.00	36.00
Victoria Trust	120.00	126.00
Waterloo Trust	98.00	...
Sherbrooke Trust	110.00	...
Investment Trust Shares:		
Can. Gen. Invest.	6.15	6.30
Can. Invest.	5.50	6.00
Can. Int. Inv. Trust Units	26.50	28.00
Can. Invest. Fund	3.25	3.70
Cons. Div. Std. Sec. Units	10.75	12.00
Deb. & Sec. pfd.	23.50	26.00
Dom. & Anglo Inv. Units	190.00	...
Dom. Scottish Inv. Units	23.00	26.00
For. Power Sec. p.	...	9.50
Inv. Found. U.	39.00	41.00
Sec. Holding U.	11.00	13.00
United Corpns. A	15.00	16.00
Do., B	4.50	5.00
Power Issues:		
Can. Light & P. c.	26.00	30.00
Can. W. N. Gas p.	96.00	97.00
Do., com.	21.00	24.00
Gt. Lakes Pwr. p.	63.00	68.00
N. B. Tele. com.	10.50	11.25
N. S. L. & P. c.	47.00	49.00
Do., pfd.	96.00	98.00

Recent London Quotations:

Brit. Col. Tele., pfd.	$105
Brew. & Distillers	3s.
Canada Company	7s. 6d.
Can. & For. Secs.	4s.
Can. Collier. $1 com.	1½d.
Do., pref. $10	4½d.
Can. N. W. Land	15s.
Can. West. Lumber	10½d.
Hudson's Bay	17s. 9d.
Do., pref.	90s.
Imp. Tob. (Canada) 6% pfd.	27s. 6d.
Third Can. Gen. Inv.	6s. 6d.

Listed Bond Quotations

Week Ending July 29, 1935

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1935 High	Low
Mtl. L. H. & P. Debs	3	1939	3.23	49	49½	48⅞	49⅞	46
McNish	6	1948	...	3.75	3.00	..	4.00	3.00
Victory Loan	5½	1937	...	109½	109⅝	..	109⅝	109⅝

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and in its mining quotations elsewhere in this issue, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

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Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when a box number is required. Classified ads payable in advance.

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IN SUBSTANTIAL AMOUNT TO PURchase outright or the control of a long established manufacturing company with a good record of earnings in the past but which at present is not as profitable in recent years. Experienced executive with substantial backing will purchase control of a going concern which he can then rebuild. Reply in first instance, if you prefer, through your banker or attorney to Box 144, Financial Post, Montreal.

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FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

Accountant, Auditor

Wide range of practical experience, including Banking, Industrial and Commercial Accounting and Auditing. Recognized Public Accountant degree. Now holding responsible position. Desires new connection. For personal interview write Box 142, Financial Post, Toronto, Can.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 194

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1935, and that the same will be payable at the Bank and its Branches on and after Tuesday, 3rd September next, to shareholders of record at the close of business on the 31st July, 1935. The Transfer Books will not be closed.

By Order of the Board,
S. H. LOGAN,
General Manager.

Toronto, 19th July, 1935.

Blue Ribbon Corporation Limited

NOTICE is hereby given that a dividend of Fifty Cents (50c) per share on the preferred shares of the Company has been declared payable on and after August 1st, 1935, to shareholders of record on July 25th, 1935.

DATED at TORONTO this 23rd day of July, 1935.

J. C. JAMIESON, Secretary.

Langley's Limited

Preferred Dividend No. 18

NOTICE IS HEREBY GIVEN that a dividend of ONE DOLLAR AND SEVENTY-FIVE CENTS ($1.75) (being at the rate of Seven Per Cent (7%) per annum) per share, has been declared on the Cumulative, Convertible, Redeemable, Preference Stock of this Company for the quarter ending November 15, 1933, payable August 15, 1935, to Shareholders of Record at the close of business July 31, 1935.

By Order of the Board,
P. G. SHAY,
Secretary-Treasurer.

Toronto, July 3, 1935.

Canadian Hydro-Electric Corporation Limited

Notice of Dividend on 6% Cumulative First Preferred Stock

Ottawa, Canada, July 24, 1935.

The Board of Directors has declared a quarterly dividend of 1½% ($1.50 a share) on the shares of 6% Cumulative First Preferred Stock of the Corporation payable in cash September 2nd, 1935, to holders of record of such stock at the close of business August 1st, 1935.

Cheques will be mailed. Stock transfer books will not close.

J. R. BINKS, Secretary.

Champlain Oil Products

LIMITED

Preference Share Dividend No. 8

NOTICE IS HEREBY GIVEN that Preference Share Dividend No. 8 of Fifteen Cents ($0.15) per share, being at the rate of 60 Cents per share per annum, has been declared on the Preference Stock of the Company by the Board of Directors of CHAMPLAIN OIL PRODUCTS LIMITED, with respect to the outstanding Preference Shares without nominal or par value of the capital stock of the Company, for the Quarter ending on the 31st day of July, 1935, to be paid on the 15th day of August, 1935, to Shareholders of record at the close of business on the said 31st day of July, 1935.

JOHN E. L. DUQUET, Secretary.

July 25, 1935.

CHAMPLAIN GASOLINE

Movie Fans

Torontonians Like Movies Best — Montrealers Come Close Second

Torontonians are Canada's best movie fans.

Last year almost 19 million Queen City citizens trekked to 90 silver-screen palaces to see and hear their favorite movie idols. This works out to about 24 trips a year for every person in the city. At the same time about $4.7 millions slipped across the box office counter for tickets.

On the other hand, approximately 18.6 million English and French people sat down together in 57 movie haunts of the world's second largest French-speaking city — Montreal. But the ticket gross was smaller at $3.8 millions. Because, perhaps, Montrealers paid an average price of 21.2 cents compared with an even two-bits in Toronto.

Moving across Canada with the movies shows Winnipeg with 7.5 million theatre-goers last year followed by Winnipeg, Hamilton, Ottawa, Edmonton, Calgary, Quebec, Halifax, London, Regina, Victoria, Saskatoon, Saint John, Windsor, Kingston, Moncton, and Three Rivers.

Linseed and Soybean Oils

With a total of ten plants, located in Quebec, Ontario, Manitoba and Alberta, Canada's linseed and soybean oil industry in 1934 had a capital investment of $2,394,498, and furnished employment to 200 persons, who were paid $239,411 in salaries and wages.

Wheat

The Market

IN SPITE of the recent marking up of prices on the Winnipeg market, and in spite of fairly large export orders concentrated on one or two days, no essential change has taken place in the marketing situation. A few speculative buyers came into the market under the influence of rapid price advances in the United States. They now seem to have retired again as the August delivery month approached. Farm deliveries of old wheat have been made at a rate exceeding the combined total of exports and of domestic flour use. Total stock of wheat, and the government sponsored holdings therefore seem to be increasing.

From now until some change in the set-up is made the quoted price will represent practically the price ticket placed on its holdings by the government agency. According to theory and statistical calculations buyers overseas should be taking and booking much larger quantities, but they still appear confident of their ability to hold off, and continue only hand to mouth purchases.

The drought in the Argentine may become a much more important factor if it is not soon extensively relieved, and some degree of nervousness is reported from Liverpool on that account. There appears to have been an important reduction in seeded acreage.

* * *

Crop News

RUST has continued its rapid development during the past week in Manitoba and in Eastern Saskatchewan. It is not yet possible to assess the full extent of damage, although some millions of acres which a short time ago seemed to give hopes of yields of 30 bushels or over, have been cut by half to two thirds. A considerable number of fields will evidently not be worth cutting.

But in some places a remarkable degree of vitality is still shown by the grain, and filling of heads has proceeded to an extent that would have been believed impossible. In the meantime prospects in other parts of the country have somewhat improved, as drought in Southern Alberta has been relieved and warm weather has hastened the ripening of late sown northern crops, which have a somewhat better hope of escaping frost damage.

Anywhere from 50 to 100 million bushels of wheat have had to be written off the hopes of farmers in various districts, but the original promise of the crop was good, and it is still possible that the total yield of wheat this year may considerably exceed the small total of last year.

Oats and barley still promise a fairly abundant crop so that the total grain production of the West may exceed that of last year by a wide margin.

* * *

History Repeats

WITH the recent marking up of prices in Winnipeg, Canada has experienced another July bull market. It has not been unlike the July bull markets of 1929, of 1933 and of 1934. In each of those years the bulk of the wheat was held by the same agency, which declined to sell when price enthusiasm based on unfavorable crop reports brought speculative buying, but enabled only minimum quantities to be exported.

In essence, the same wheat which was not sold in 1929, in 1933 and in 1934 is still there and its non-selling is again the basis of the advance. In the earlier years the narrowness of the market left outside of the tightly held holdings made it easy for comparatively small buying to advance prices. That phase of the situation is much intensified at the moment.

* * *

Not All Government Owned

A FEW weeks ago the government agency appeared to be responsible for all Canadian wheat in existence in whatever position. Now it would appear that a few millions of bushels have lately passed into other hands.

Close observers find that the government agency has been selling a little wheat, so that the market has been taking care of approximately 3 million bushels of new deliveries from the country, and some quantities in addition. As has been the case for months importing interests overseas continue to buy minimum quantities of Canadian wheat for mixing purposes, but they have not yet been moved to commit themselves to any large forward purchases.

* * *

What Can They Buy?

JUST where importers are going to get their requirements during the remainder of this calendar year unless they draw heavily on Canadian supplies is not evident. Russia might surprise the world by being able to export substantial quantities, and some export offers of new Russian wheat are already reported. But trade expectation is that these offers will not be very large. Importers might draw heavily on Danubian countries during the next few months, exhausting the surpluses of those countries before the new Argentine wheat comes to market. World importers might use up their carryovers and their new wheat in the early months of the crop year, postponing imports until later than usual, and perhaps cutting down their consumption of wheat during a certain period.

A few weeks ago it looked as if some supplies might be available from the United States, an expectation now practically destroyed as a result of rust damage in the spring wheat crop. It does not seem difficult to prove that Europe will have to buy extensively from Canada in the near future. But it seemed just as easy to prove the same thing a year ago and easier still to prove it back in 1929.

* * *

Estimate Pitfalls

THERE is danger in too great reliance on the statistical picture concerning wheat. The very completeness with which wheat statistics are collected and published, far beyond what prevails in other commodities, creates traps for the unwary.

Statistics are divided by crop years, but in the wheat trade there is no abrupt transition when one statistical period comes to an end and another begins. The actual crop years of different countries are different crops overlap to a great extent. Gaps in supplies which statistices seem to show can be bridged by calling on reserves, both those on farms and also the large quantities which constantly exist in various commercial positions.

Consumers can cut down consumption for a month or two, substituting other foods such as rye or corn, or potatoes or other vegetables. Probable purchases of wheat by importing countries can be calculated by weeks, by months or by years. The amounts arrived at are often called the requirements of those countries and no great harm may result from the use of such a term, provided it is recognized that there are no absolute requirements, that there are no forces which will result in any certain quantities being imported or consumed between definite dates.

* * *

Rust Resistant Wheat

SHINING highlight of the black stem rust picture is the behaviour of the new rust-resisting wheat developed by the Dominion Rust Research Laboratory in Winnipeg, states R. D. Colquette, in the Country Guide (Winnipeg). Mr. Colquette states that he has examined dozens of rows of this new experimental wheat and found it completely free of rust while Reward, Marquis and even Ceres growing within six inches of it were completely infected. The new wheat is a result of over ten years of research work carried on in co-operation with the experimental farms and milling companies. About one thousand bushels of seed will be available this fall and it is expected that in three or four years commercial supplies will be sufficient for all the rust susceptible area.

In addition to its rust-resisting qualities, the new wheat is stated to be an equal of Marquis or Reward for strength of straw, yield, color of kernel, weight per bushel and milling and baking qualities.

* * *

Demand Estimates Too High

INTERNATIONAL wheat movement, summarizes the International Institute of Agriculture, has been influenced by the very weak import demand from Europe which has consistently fallen much below forecast. The latter in turn was very much below the minimum recorded last season. Net profits of European importing countries during the first nine months of the 1935 crop year showed a decrease of 25 million bushels from the corresponding total for 1933-34. Based on late June information the total European crop is estimated to be about 50 million bushels larger than that of 1934, thus exceeding all crops so far obtained excepting the record year of 1933. Total production of the importing countries would, according to this calculation, be very little less than last year while it is estimated that the total for exporting countries would exceed by a wide margin the small figure of last year and be practically equivalent to the five year average. The estimate for the exporting countries, of course, was made before the present rust epidemic which appears to be affecting a large portion of the North American spring wheat area.

SEE REVERSAL WHEAT POLICY AT WINNIPEG

McFarland Apparently Back in Saddle—Sweeping Changes Made

NO NEW BOARD

Arbitrary Control of Grain Business Being Carried Out Despite New Legislation

From Our Own Correspondent

WINNIPEG.—Mystery still surrounds the Government's wheat operations, but steps taken to date, and apparently to be taken in the future, seem to be those designed to set aside the intent of the Act for the establishment of the new Canada wheat board. Instead of operations therein provided for, the Government seems to be still monopolizing the grain handling business of the country. The board has not been appointed as provided for in that legislation, and while the delay is doubtless caused by other considerations, an arbitrary control of the grain business of the country is being exercised in a way that under the law and in present circumstances would be impossible for the wheat board if it had been appointed.

Facts Now Apparent

Every one has been extremely reticent, and it is impossible to get an official statement from those connected with the trade, but some facts have become apparent.

The first is that no facilities for trading in grain beyond August have been made available, and it is presumed that this is under government prohibition conveyed to the exchange by its unofficial agent.

No switch of wheat contracts held by Canadian Co-operative Wheat Producers Ltd., with bank borrowings guaranteed as they are by the Government, to any later month has been arranged, and none appears to be contemplated.

John I. McFarland, general manager of the organization, whose illness was a matter of constant report at Ottawa during the time that the wheat board bill was under discussion, appears again to be in full command of operations.

"Corner" In August

The Government or Canadian Co-operative Wheat Producers Ltd. have an absolute corner of the wheat market in August. Practically every bushel of Canadian wheat, no matter in what position in this country, in the United States or in transit overseas is hedged in the Winnipeg market, nominally for delivery in August at Port Arthur or Fort William, but with respect to a great proportion of it actually undeliverable there. The sellers are in the power of the single purchaser, and must settle with him on terms that may be dictated, or else suffer the legal and financial consequences of defaulting on their contracts.

The same situation has existed for many months past, but an amicable switch of obligations has always been made in the past, and although the sellers in the past have always seen the noose, they have always believed that it would not be tightened.

The first step in tightening it appears to have been taken a few days ago when holders of grain in Eastern positions were forced to agree to turn over to the present government agency (not the new board to be appointed) all grain which they may own at the end of August. The price basis is a closely guarded secret, and the holders in question will not disclose the bargain they have had to make, but it is reported to be at replacement cost, which imposes on them the loss of the difference between the freight rate of 6 cents a bushel on most of such grain and the rate of 4½ cents which has lately been imposed on the steamship companies. In addition, with their stock-in-trade taken from them, it will put them out of business, or at least out of business as they have been accustomed to conduct it.

This step is believed to be the forerunner of other steps designed to put the existing government agency in possession of every bushel of Canadian wheat. Such a development will be a complete transformation from the situation as surveyed by the parliamentary committee which considered the Wheat Board Act. It saw the holdings for which the government was responsible as mainly contracts for future delivery of wheat, made with the idea of stabilizing prices on the open market, and it laid down instructions for the taking over of these contracts. Now, if the board is not appointed until after the end of August, there may be no contracts to take over, but merely the whole mass of wheat in Canada.

Under such a situation it would be possible to bring to a halt the whole machinery for handling and exporting Canadian grain, and that in turn could be used, if it should be desired to use it, as excuse for making ineffective the instructions of the Canadian Wheat Board Act, that regular machinery of the trade is to be employed for disposing of wheat board stocks, for setting up a system of direct agencies, for proclaiming the compulsory sections of the act.

Switch Back to Wheat

When Mr. McFarland became general manager of Canadian Co-operative Wheat Producers Ltd., in November, 1930, wheat holdings of that agency, then probably over 100 million bushels, were practically all in the form of actual wheat. This was in various positions in elevators both in Canada and in the United States. Mr. McFarland got rid of the actual wheat then on hand and delivered during the year. But he acquired contracts for future of delivery of wheat. From about May of 1931 until May of 1935 his operations and his holdings were confined almost entirely to the futures market. Now it would appear that before he ends his term of office as general manager of Canadian Co-operative Wheat Producers Ltd., it is planned that the futures market operations should be wound up as far as possible. Wheat holdings, grown now to something beyond 200 million bushels are to be put back into the form of actual wheat.

Transferred Since May

So far the only transformation of this kind has been since the beginning of May. Western elevator companies began delivering to Mr. McFarland, on their May, and later on their July hedging contracts, all wheat which could be got into terminal elevators at Port Arthur and Fort William. That left Mr. McFarland in possession of practically all wheat in store at the head of the lakes. Lately some of this wheat has been moved by the government agency to eastern positions, so that its holdings probably now aggregate some 65 million bushels of actual wheat.

It is planned now that additional wheat in store in various elevators in eastern Canada and in the United States should be bought outright by Canadian Co-operative Wheat Producers Ltd., which, as it increases its holdings of actual wheat, will cut down its holdings in the futures contract market. Whether that policy will be carried out also in connection with wheat in country elevators appears not to have been decided. But the intention is at least to make some arrangement that will take them out of the futures market, possibly by deferred delivery at terminal elevators.

Such operations greatly increase the direct borrowings from the banks under Dominion Government guarantees, although the banks are not called on for any more money in the aggregate, as one borrower simply replaces another.

Wheat Prices

(Cash Quotations)

	Aver. for week July 20 $	Previous week $
At Winnipeg:		
No. 1 Man. Hard	0.803	0.801
No. 1 Northern	0.803	0.801
No. 2 Northern	0.773	0.771
No. 3 Northern	0.723	0.721
No. 4 Northern	0.648	0.646
No. 5 Wheat	0.583	0.581
No. 6 Wheat	0.579	0.576
Feed Wheat	0.543	0.544
At Vancouver:		
No. 1 Northern	0.771	0.771
At Toronto:		
Milling Wheat	0.710	0.720

Competitive Export Prices: (July) shipment:

	High Week to July 26 $	Low $
No. 1 North. (Vanc.)	0.92⅛	0.89⅛
No. 2 North. (Atlan.)	0.92⅛	0.89½
No. 2 North. (Vanc.)	0.86	0.82½
Argentine Rosafe	0.74⅜	0.71¼
Do., Barusso	0.73⅜	0.69¼
Australian	0.82¼	0.76⅜
West Australian	0.82⅞	0.78¼
French	0.60⅜	0.58½

Big Flour Market is Lost Through New Eating Habits

American Millers who attended their annual convention in Chicago recently had the steady decrease in flour consumption in the United States brought drastically to their attention by a chart prepared by the Research Institute of Sanford University. This showed the per capita consumption during the past 35 years and the probable trend over the next decade if the present rate continues.

At the beginning of the century the per capita consumption was estimated at slightly under 230 pounds. This fell slowly but gradually until 1916, by which time it had reached almost exactly the 200 pound mark. Breadless days and other war-time measures of food conservation then began to have curious effect. The result was that consumption fell to a low of slightly over 175 pounds by 1918. From then for the next 10 years there was a slight improvement. But just at the height of the 1928 boom period a sharp decline set in with consumption for the year ended June 30, 1935, estimated at 160 pounds.

A decrease of 10 pounds per capita, it is pointed out, represents an annual loss to American millers of between 5 million and 6 million barrels of flour. The decline of 20 pounds per capita in the last seven years represents a loss of at least 10 million barrels. At the present trend, it is estimated that another 10 million barrels will be lost by 1945, when per capita consumption would be about 140 pounds.

Per capita consumption in Canada, it is estimated, would be almost identical with that in the United States with similar tendencies in flour-consuming habits on either side of the line.

Farm Factors

Agricultural Trends Affecting Business and Finance

All Crops Competitive

RECENT amendments to the Agricultural Adjustment Act in the United States in order to bring further crops under its jurisdiction, are not surprising. The original sponsors of the A.A.A apparently did not realize that all farm crops are competitive, especially where a portion of any one of them must seek markets outside the country. The new deal in agriculture initiated by Washington over two years ago was orignally designed to control only those things of which there was normally a large exportable surplus. This meant wheat, cotton, and hogs. But no sooner had prices of the three been advanced through both artificial and natural curtailment than disposal of alternative crops became a problem.

Acreage formerly devoted to wheat and cotton was turned into something else and corn planted for liquidated hogs had to be fed to something else. A.A.A. supporters, just as sponsors of our own Natural Products Marketing Act are beginning to realize that it is impossible to lift one or two lines out of the general farm picture and make them profitable without serious conflict with the others.

* * *

Meat Fancies

GREAT BRITAIN is predominantly a beef eating country but in the United States pork is most popular. In normal times Canada lies in between with consumption of beef leading pork by a small margin. That is the case at present according to a summary of the situation by the Dominion Department of Agriculture. Over a year ago, however, the per capita consumption of pork was greater than beef.

This reversal in trend is easily explained. While all meats were much cheaper early in 1934, for several months previously pork was on a relatively lower basis than beef with bacon less than 15 cents a pound retail in many cases and hams about the same price. This cheapness turned the public appetite toward pork products.

When all meat prices started to increase, however, pork rose far more sharply and speedily than beef and as a result in the last year we find Canadians eating 68.66 pounds of the latter but only 66.36 pounds of pork. Other meats are far below this with lamb running around 6½ pounds, poultry, slightly more. Meats, like crops, are competitive and when one gets out of line with the other, the average housewife turns to the cheaper product which quickly brings the whole picture back into balance.

* * *

Export Meat

HAND in hand with an increase in cattle exports has been a revival in dressed meat shipments to the United States. Total Canadian exports of beef for the first four months of 1935 were in the neighborhood of seven million pounds compared with less than three millions for the same period in 1934. The great bulk of this went to United States in the current year, whereas in 1934 the trade was largely with Great Britain and at sharply lower values. Canadian bacon and ham is also moving to United States.

The revival of meat exports to United States is a natural sequence to the curtailment policies of Washington's Agricultural Adjustment Act supplemented by the 1934 midwestern drought of unprecedented severity. This export has been of much direct benefit to the larger Canadian packing companies such as Canada Packers, and P. Burns & Co., as well as to the farmers selling livestock to those companies. Incidentally much of the surplus meat which went into cold storage last summer and fall must have found a rising market in the United States this spring.

* * *

Staff of Life—Free

A FEW years ago a well-intentioned Philadelphia sausage maker distributed his tit-bits free as samples. But somehow the housewives did little more than say thank you. Sausage sales did not hit a new high.

Now breadmakers enter the scene—and feel sure that their gratis gifts will help business. A big Chicago baking company announces that it will give away over one million samples.

Sample facts: One-third of a loaf all sliced—placed in wax-covered, cardboard container——and 20,000 to be given away each day for two months.

U. S. WHEAT AREA MAY BE REDUCED 15 P.C. IN 1936

Decision Will Depend on Rust Damage This Season

United States Farm Adjustment Administration is reported considering slashing 1936 wheat acreage from 15 to 18 per cent below the "base" acreage.

Final decision hinges upon the amount of black rust damage. Officials state that if the damage proved negligible the acreage reduction might be as much as 20 per cent. But Chicago reports the rust spreading.

A 15 to 18 per cent reduction below "base" acreage—the average of approximately 51 million acres planted by contract signers in the 1930-32 period — would compare with a 15 per cent cut in 1934 and 10 per cent this year.

Estimates indicate that the rust may cause a reduction in the 1935 crop of from 20 million to 50 million bushels.

The July 1 crop report estimates total wheat production in United States this year at 731 million bushels. The carry-over on July 1, was 155 million bushels. The crop report estimates winter wheat production this year at 458 million bushels; most of this was said to have matured or to have been harvested.

The estimate for spring wheat this year is 273 million bushels. Of the spring wheat, 37 million bushels are said to be Durum wheat. Most of the other 236 million bushels of spring wheat are said to be largely of the Ceres variety. It was believed to be rust-resisting but in the present year some damage is reported.

World Wheat Control Unlikely To Function

"There is experience to indicate that within a country, wheat growers may secure a larger part of the national dividend by use of monopolistic, or socialistic, methods. But there is nothing to indicate that an extension internationally of monopolistic, or socialistic, methods to wheat, can foreseeably result in lifting wheat growers significantly above the otherwise level of net pecuniary returns."

So concludes a special report of Stanford University, California, after a study of international wheat policy and planning.

It is pointed out that the present wheat problem is not necessarily a product of the depression, but rather is the outcome of acreage expansion in both the wheat exporting and wheat importing countries of the world. The expansion of acreage in the wheat importing countries has not been disproportionate to the growth in population. Neither has it been out of line in the three older countries of the exporting group, India, Russia and the U. S. The excessive increase in acreage, based on present day and pre-war averages, has taken in Canada, Argentina and Australia.

Development of Problem

Summarizing the development of the wheat situation up to 1929 the report states:

"The picture presented in the wheat acreages and averages of the crop years 1930-31 to 1934-35 was already in prospect in the acreages and averages for the crop years 1925-26 to 1929-30. With the occurrence of bumper crops in a few countries and the non-occurrence of significant crop failures anywhere, other things equal and without acreage contraction, it became clear that more wheat would come into the world than importing Europe desired, even supported by the customary takings of ex-European importing countries.

"Thus it became gradually evident that conditions preparatory to a wheat crisis were developing, even in the absence of a trade cycle. Such a wheat crisis would include a declining price, non-adjustment of importers' requirements to exporters' surpluses, and accumulation of excessive carryovers. This was the situation in 1929."

Depression a Factor

With the arrival of world depression in 1929 and 1930 the whole situation was accentuated. Prices were reduced and markets curtailed. The University contends that even granting a recovery of business from depression, there will still remain a wheat problem based on the growth of production at a rate disproportionate with population and consequent consumption.

N.B. Farm Report

According to the first report issued this year by the New Brunswick Department of Agriculture there is a noticeable increase over last year in the acreage of wheat, oats and barley, while that of potatoes has been reduced.

Winnipeg Grain Prices

Week to July 30, 1935

Crop year from Aug. 1, 1934 High	Low		Open July 24	High for week	Low for week	Close July 30
		Wheat				
.91½	.80	July	.81¼	.86¼	.81¼	.84¾
.86½	.80	Aug.	.81½	.86½	.81½	.84⅞
		Oats				
.45⅝	.35⅛	July	.44⅛	.44⅛	.40¾	.41¼
.47⅞	.29⅝	Oct.	.32⅝	.36⅝	.32⅝	.34¼
.30½	.29⅝	Dec.	.30	.33¾	.29⅞	.31⅝
		Barley				
.60½	.33⅛	July	.35¾	.38⅛	.35⅝	.36
.48⅞	.31⅝	Oct.	.35½	.38⅝	.35½	.36¾
.36½	.34⅝	Dec.	.36½	.39	.35½	.37⅝
		Flax				
1.49⅛	1.14⅛	July	1.25	1.35	1.24	1.32⅝
1.41¼	1.15	Oct.	1.24	1.35	1.23	1.30⅝
1.22½	1.17⅝	Dec.	1.21½	1.31¾	1.21½	1.28½
		Rye				
.66⅝	.31½	July	.36½	.40	.36¼	.39⅝
.56⅝	.33¾	Oct.	.38¼	.43	.38⅝	.40⅞
.40¾	.37½	Dec.	.40¼	.44¼	.40	.42⅝

Key Facts About Wheat

	Week bu.	Prev. Week bu.	Same Wk. Prev. Year bu.
Canadian Wheat in Store:			
Fort William, July 26	72,325,303	74,204,864	....
Country elevators, July 12	51,858,768	55,331,809	65,972,935
Total all points, July 19	190,996,340	193,579,807	194,170,136
World Shipments, incl. flour: July 27:			
North American	2,611,000	2,276,000	3,002,000
Argentine	1,553,000	3,090,000	3,373,000
Australian	1,681,000	1,314,000	2,006,000
Black Sea	....	....	....
Total, world	6,077,000	7,784,000	8,389,000
Visible Stock: July 27:			
Canadian	123,474,000	125,639,000	107,710,000
United States	....	....	....
Argentine	....	....	....
Country Marketings and Exports:†			
Canadian exports, July 26	1,722,231	1,208,567	2,485,981
Cum. to July 26 (52 weeks)	116,738,759	115,016,528	153,304,493
Country marketings (July 12)	2,977,982	2,731,733	2,885,803
Cum. to July 12 (50 weeks)	221,691,392	218,713,610	221,630,934
Country deliveries, July 26‡	2,879,000	3,294,000	3,107,000
Country loadings, July 26‡	5,170,000	6,774,000	4,682,000

†Excluding flour. ‡Sanford Evans Weekly Report.

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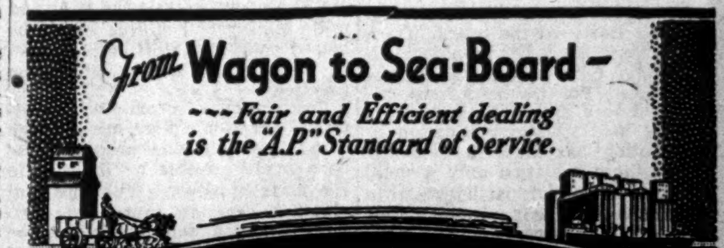

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News of Canadian Mining Investments

The Week in Mining

"The Public Interest"

WHAT is "the public interest" as regards the silver purchase policy of the United States government?

Investors in silver and silver mining shares are very much interested in the answer to the above question in view of President Roosevelt's answer to the Senate's silver group demand for speedier silver action. In his letter to the Senate group he stated that Secretary of Treasury Morgenthau has and will discharge the duty placed upon him by the silver purchase act "in the manner most advantageous to the public interest."

There may, however, be a wide divergence of opinion as to what is "the public interest."

The New York Trust Co. in its official publication, The Index, recently stated: "The only conclusion which appears possible from a review of the first year's experience with the silver purchase programme is that, in forcing up silver quotations, an artificial price structure has been created which may collapse of its own weight the moment the United States ceases to buy. The government's policy has so disrupted the normal relationship between supplies and consumption that, in the long run, 'doing something for silver' may prove to have been as ill-advised in its entire conception as were the early views of the sponsors of such measures regarding the effect in the Far East of a rise in the price of silver."

The Index claims that the silver purchases have had exactly the opposite effect of those forecast by their sponsors. The programme has served little purpose in the United States, it says. The basic danger to United States currency is also emphasized. With reserves of gold and silver at a ratio of three to one, the demands for redemption of currency, when resumed, might seriously endanger the gold standard because of over-valuation of silver stocks.

* * *

Quarterly Reports

THE recent increase in the number of mining companies issuing quarterly reports is gratifying. During the past few weeks a number of companies have issued their initial quarterly statement to shareholders. These companies are to be commended for adopting this means of keeping their shareholders informed as to the operations of their company.

For years The Financial Post has advocated in its columns the issuance of more regular reports by mining companies. Quarterly reports has been one of the means suggested for keeping shareholders informed. It has even been proposed that all companies listed on a recognized exchange should be compelled to issue a report at the end of each three months. It appears as if The Financial Post's efforts are now bearing fruit.

* * *

Market Slow

THE mining market continues in a state of lethargy, with the general price trend being in the descendent. Trading has been spiritless and volume continues to dwindle.

The senior golds remain the most inactive issues on the board. Trading in these issues has been decidedly skimpy with only minor changes in prices. For the most part the senior issues are at present being closely held. Little liquidation or speculation has been in evidence. While there has been only a small amount of public participation in the market in recent sessions indications are that quiet accumulation by experienced investors has been going on.

There has, on the other hand, been a moderate amount of selling of intermediate and junior gold issues with the result that prices in these groups have pushed lower.

Silver shares have also been weak. The market has interpreted President Roosevelt's reply to the silver bloc as meaning that there is no immediate prospect of a further sharp rise in the price of silver bullion.

The base metal issues such as Falconbridge, Hudson Bay Mining and Smelting, Noranda and Base Metals Corp. have been firm, reflecting the improvement in the London price of copper and lead.

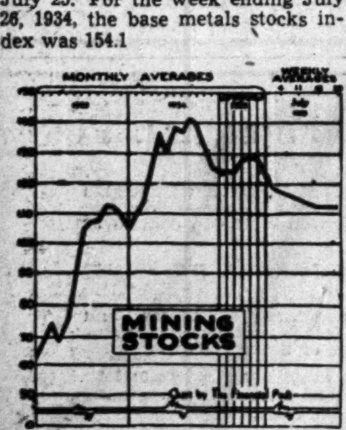
* * *

Index of Mining Stocks

THE general index for 23 mining stocks remained unchanged at 117.4 for the week ending July 25, 1935. This index was 134.3 for corresponding week of 1934.

Weekly average prices were lower for twelve, unchanged for two and higher for five of the nineteen gold stocks. The index for the gold series registered a fractional loss of 0.3 points placing the index at 109.1 for the week of July 25 as compared with 109.4 for the week of July 18 and 130.7 for the week ending July 26 last year.

Prices of base metals stocks, with the exception of Hudson Bay, were higher, causing the index to advance from 152.2 for July 18 to 153.4 for July 25. For the week ending July 26, 1934, the base metals stocks index was 154.1



Straw Lake Beach Gold Mines—After about 86 ft. of crosscutting on the 300-ft. level the main vein has been exposed. About 450 ft. of drifting has been completed on the 100-ft. horizon, with two ore lengths opened up, one for a distance of 200 ft. with an average width of 32 inches assaying $22.37 per ton, and the second 80 ft. assaying $15 per ton across 32 inches.

ARNTFIELD MILL TREATS 125 TONS ORE GRADE GOOD

Company Reports Substantial Balance in Its Treasury

The mill of Arntfield Gold Mines got its first taste of ore on July 26 and is at present treating 125 tons daily, The Financial Post is officially informed.

While the mill has a rated capacity of only 125 tons the company expects to be able to step tonnage up to 170 tons without making any alterations to equipment. Tonnage will be stepped up gradually. With the addition of a small amount of machinery the capacity of the mill can be doubled.

Milling operations to date have been very satisfactory. Millfeed has been drawn from No. 2 shaft on the 625-ft. level and has been above the mine average. It is on the 625-ft. level that the company has opened up an excellent ore body which is yielding much higher values than on the upper levels.

Recent work has been concentrated on widening No. 2 shaft for enlarged operations and the erection of a new headframe at this shaft. This work will be completed in the course of a few days.

The grade of the ore at present being milled is estimated by Victor James, the company's mine manager, at between $10 and $12. Costs, on the other hand, it is estimated, will approximate $6. In this respect the company is fortunate in having a wide ore body and ore that is a simple type. This enables the management to keep mining and milling costs at a minimum.

While tonnage figures of ore reserves were lacking in the company's annual report which was issued early in July it was stated that ore reserves were sufficient for two years at the initial capacity of 125 tons daily.

The company reports that it has a substantial balance in its treasury.

NOBLE FIVE MINES OPERATING AGAIN ONE SHIFT A DAY

Can Produce About 100 Tons of Concentrates Per Month

After some delay incidental to tuning up the power plant and mill after their long lay-off, the plant and mill of Noble Five Mines, located in the Slocan mining division of British Columbia, is now operating one shift per day, according to an announcement made by Paul Lincoln, president.

Mr. Lincoln states that on this basis it will be possible to produce about 100 tons of concentrates per month which will average better than $80 per ton. He also stated that over 2,000 tons of ore is either stored in bins at the mill or lying broken in the stopes ready for milling. At the present time there are 20 men working in the mine and mill. Mining and milling are to be placed on a three shift basis as soon as is consistent with good mining practice.

Resumption of production activities at the Noble Five mine, which is a silver-lead-zinc property, has been made possible by the rise in the price of silver. With silver at about 70 cents an ounce, it is estimated that a fair profit can be made. The property has been shut down since March, 1930, when operations were suspended owing to unprofitable operation.

CANADIAN MALARTIC PRODUCTION $52,524

Mill Tonnage Averaged 148 Tons Per Day in Month of June

Canadian Malartic Gold Mines reports that gold and silver recovered as bullion from the commencement of milling operations on April 26 to June 30 amounted to $52,524. Mill tonnage for the period was 8,560 tons, giving an average recovery of 6.13 per ton.

H. Whittingham, secretary, reports that the mill operation is working satisfactorily, gold extraction being 91.7 per cent. Brought into production at the rate of 130 tons daily, tonnage has been gradually stepped up to an average of 148 tons per day during the month of June. Some further increase in capacity over June figures is expected. Mr. Whittingham further states that the various factors involved in increasing the output of the operations are being studied.

"Costs," the report states, "are not yet representative and their publication at this time would be misleading. The company is now completing its current construction out of earnings."

Underground Work

Underground work during the quarter ended June 30 consisted of finishing and equipping the new production shaft and preparation for ore extraction. Skip pocket and ore passes were completed. After stoping the bulk of the ore flows by gravity direct to the skip loading chute.

Mine production came 81 per cent from the first, second and third levels on the south ore body and 19 per cent from the associated hanging-wall ore body on the third level. The ore milled from the various sections closely checks the grade as calculated from these ore blocks, which are somewhat above the average grade of the ore reserves as a whole, E. V. Neelands, general manager, states.

H. R. Bain Staff Changes

H. R. Bain & Co., prominent mining brokerage house, has announced the following changes in executive personnel: R. S. Newling, F.S.S., vice-president and director, has been appointed director of sales and Edmund H. Benson has been appointed sales manager.

Quebec's Gold Baby

Mud Lake Area Stimulated to Real Activity by Spectacular Find On McIntyre Porcupine Property—Development in Preliminary Stage

From Our Own Correspondent

AMOS, Que.—Stimulated by the spectacular find made only two months ago on ground staked by McIntyre-Porcupine Mines adjoining its original O'Leary-Malartic option, the Mud Lake camp, latest addition to Quebec's list of gold areas, is rapidly taking shape.

Operations on many properties in the area are still in the preliminary stages. Development, however, is in the hands of responsible and experienced organizations. An extended period of prospecting and development is predicted for the field by those familiar with conditions. A number of showings, which warrant aggressive exploration, are under investigation. Every week brings news of new discoveries and the acquisition of new claim groups by big mining interests.

It was this impression of solidity and well-organized effort which struck the representative of The Financial Post when, after completing the 60-mile flight from Rouyn, the airplane circled the field before landing on Mud Lake proper. Over a wide belt, extending east and west from the lake, substantial camps of the many operators in the field could be seen, and on landing it was learned that there are between 225 and 250 men now engaged in opening up the district. Ground is staked for miles in all directions.

First Explored in 1916

The history of the Mud Lake section as a gold camp extends back to 1916, when considerable prospecting was done. At that time, however, the area was believed to lie in "granite country," and little was learned of the sedimentary break which is now under exploration. Granite occurs to the north, between Rouyn and the camp, and appears again only a few miles to the south. Between these two formations there is a substantial belt of well disturbed ground, however, with gold occurring in many locations.

The district, part of the big Ottawa River timber limits, has never been geologized, and those in the field are faced with an entirely new set of structural and geological conditions to work out. Added to this, there are very few rock outcrops, a heavy overburden of moss and rotted vegetation covering even the tops of hills and ridges. A geological party is now in the township, working south from the north end of the section, but it will probably be fall before they reach the scene of principal activity. Despite these drawbacks, careful prospecting has revealed many important showings, and those already found may keep operators busy for many years to come.

Economic Location

Mud Lake is well located for economical and rapid development. Situated only 40 miles by air directly east from Haileybury, the district can be reached in half an hour from that point and from Rouyn. There is a good water route from the end of the C.P.R. line at Angliers, north of Ville Marie, up Quinze Lake and through Lake Expanse. The winter road, already built, will be shortened to provide a haul of only 32 miles from Laverlochere, also on the C.P.R.

McIntyre Development

Visiting the McIntyre development in the area, one is surprised at the aggressive manner in which the big Porcupine gold producer has opened up the ground optioned last fall from the O'Leary-Malartic interests. Complete mining plant was not installed until late in the winter, but the shaft has reached a depth of 360 ft. and lateral work is being carried out simultaneously on three levels. Substantial buildings have been erected, with about 70 men on the ground, a score or so engaged in prospecting.

Accompanied by J. M. Hamilton, engineer in charge of operations, The Financial Post visited the underground working. On the first or 125-ft. level, the vein, opened on surface for a length of 450 ft. and showing average values of around .4 oz. gold over four to five ft., has been cut in the shaft. About 150 ft. of drifting has been completed, with good lengths of better than commercial grade opened up. Lamprophyre dykes and fault zones, characteristic of the whole district, have caused trouble in some sections, but it will eventually be worked out, it is believed.

Underground Results

On the second or 225-ft. level, the vein, which dips north, was cut in the crosscut 90 ft., from the shaft, and to the west showed big widths of good grade material. A total of 225 ft. of drifting has been completed on this level, with some good lengths of ore disclosed. Crosscutting on the 325-ft. level at a point 190 ft. north of the shaft has just entered what is believed to be the vein, and little is known of conditions. Appearance is promising, however, and plans are being made to investigate a parallel condition which gave values closer to the shaft.

A prospect drill is being operated underground ahead of drifting operations. Drilling has extended the vein both east and west beyond the 450-ft. length opened on surface.

New Vein Spectacular

Taken as a whole, the picture in the present shaft location is extremely interesting, but it is the new McDonald vein, discovered by Hugh McDonald, prospecting for the company, May 24 last, which has aroused the enthusiasm of the management and of the whole district. With R. V. Hopper, resident geologist, The Post inspected this big showing and gained the impression that, should widths and values carry to any depth, a new mine will undoubtedly be added to the Quebec list.

The McDonald vein has been stripped for a distance of 400 ft. and is open at both ends where it dips into low ground. It is composed of solid quartz showing an average width of about 15 ft., and is unusually uniform. Gold occurs in the free state, with little other mineralization present in the vein itself, and values secured have been spectacular for the entire length, one 17-ft. width returning over two ounces in channel sampling. The writer picked up a number of pieces of quartz lying beside the pits and in every case, with the aid of a glass, was able to discern the yellow metal.

To Drill New Vein

No time will be lost in opening up this new discovery, The Financial Post is informed. A larger diamond drill is now on its way to the property and will be immediately put to work probing the lateral and downward extensions of the body. Plans are also being laid for early shaft-sinking.

Other Properties Active

While watching the McIntyre for indications which will assist them in their work, other interests in the Mud Lake camp are losing no time in prospecting and developing their respective holdings. At the Coniagas, adjoining McIntyre on the southeast, a great deal of surface work has been completed and some promising showings opened up. The ground has been badly disturbed by drag folds, faulting and the characteristic lamprophyre dykes, and as a result difficulty has been experienced in securing continuity of structure. High values have been secured over big widths in several sections, but it is believed that diamond drilling will be necessary to definitely prove or disprove the property.

Connell Mining and Exploration, headed by F. M. Connell, who was in the field during The Post's visit, has three groups, two of them containing three and five claims, respectively, located on the general strike of McIntyre's new vein. The third, consisting of 23 claims, has seen the most work and several interesting finds are under investigation. Noranda is exploring ground adjoining McIntyre on the east, and has met some measure of success.

Prospectors' Airways in Field

Prospectors' Airways and the Connell interests have taken over a large property owned by the Griffin group of Rouyn, but had just completed erection of camps at the time of The Post's visit. The original discovery on the shore of Mud Lake is on these claims, and the vendors retain the surface rights and will probably establish the townsite for the new field. Latest to enter the camp are the McLeod-Cockshutt interests, who have taken over a group at the west end of the area on Sand Lake in the name of Kenogamisis Gold Mines.

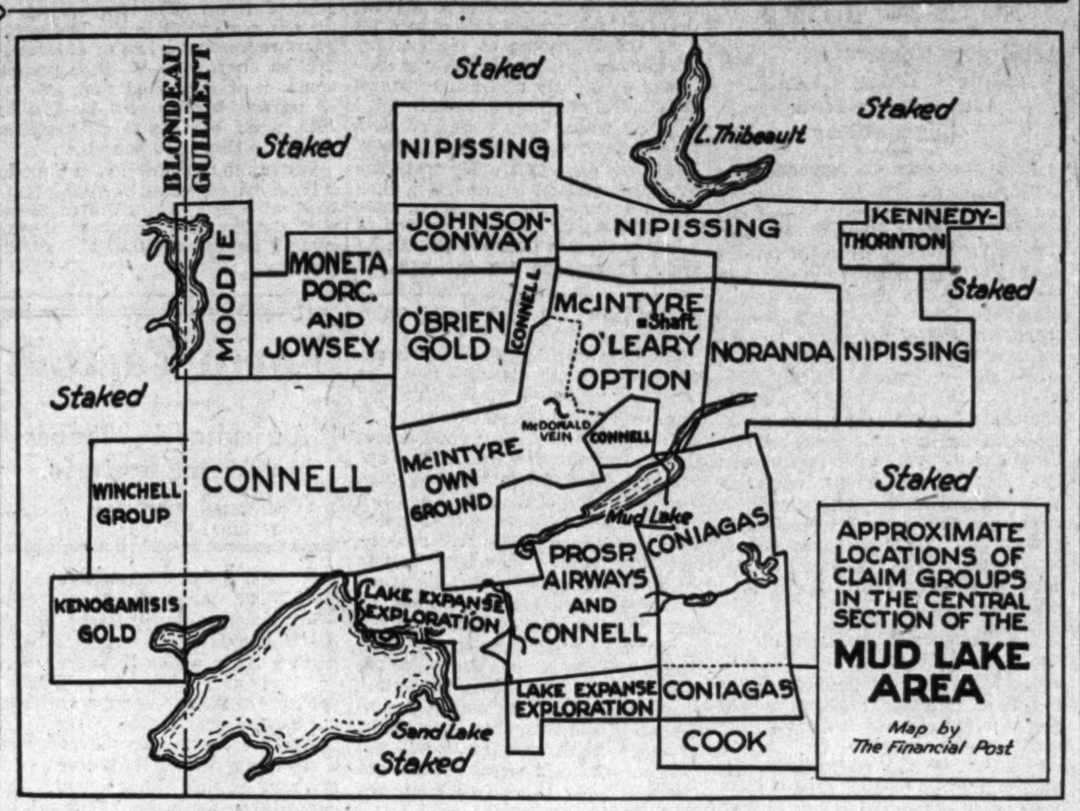
Nipissing Mines Interested

Nipissing has a large territory under option, extending across the whole northern section of the camp, but work has just recently got under way. Several interesting finds are said to have been uncovered. Other operators are the Moneta-Porcupine-Jowsey interests Big Long Lac, Lake Expanse Exploration, O'Brien Gold Mines, Karl Springer Exploration, and the Johnson-Conway Syndicate of Toronto. Several of these companies are reported to have discoveries.

Ballyhoo Absent

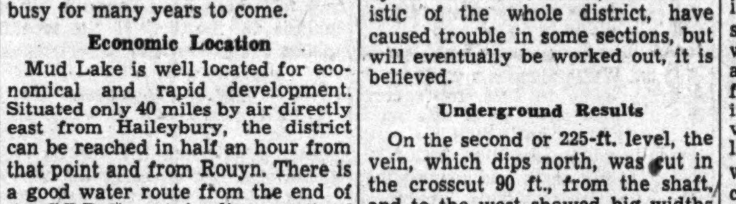
One of the features of the Mud Lake district is the character of the companies holding the "inside" ground. With none of the usual new camp ballyhoo, these organizations are carrying on steadily and meeting with encouraging results. One reason, perhaps, why the "wild-catters" are not better represented has been the general market conditions, but it is also a fact that the district so far has had little to offer any but those with the financial resources and technical knowledge to carry on a thorough and carefully planned search.

Speculators are beginning to appear here and there on the outskirts of the camp and will probably be getting in some good work shortly in more widely publicizing developments, but the fact remains that the best ground opened so far is in strong hands.



Mud Lake area, Quebec's most youthful gold area, has attained considerable prominence in recent months and at the present time is the most active of the various fields under development in that province. The above map, which was prepared expressly for The Financial Post in the field, shows the holdings of the various companies interested in the field. It is noteworthy that most of the development in the area is being done by old and established mining concerns. The most important property in the area is that of McIntyre-Porcupine, where very encouraging results have been obtained. Development at this property is also in the most advanced stage.

Mud Lake Location Map



Mud Lake area, Quebec, which at present is witnessing a great deal of development activity, lies 40 miles directly east of Haileybury and 60 miles from Rouyn. The above map, prepared by The Financial Post, shows the location of the field, the white rectangle being the area under development. Transportation routes are marked on the map. Mud Lake is accessible either by water in the summer and by road in the winter.

RUTH HOPE REQUIRES $2,000 TO PAY TAXES

Advances by Directors to Company Now Total $59,000

Shareholders of Ruth Hope Mining Co. at a recent meeting in Vancouver were advised that provincial authorities have agreed to an extension until Nov. 30 in connection with the company's $2,000 tax liability. Shareholders are to be given an opportunity to raise the required sum as directors have made all the advances they care to make in order to keep the company alive. If the required $2,000 is not forthcoming by Nov. 30 the government may precipitate the winding up of the company.

In referring to the possibility of resumption of operations, R. H. Stewart, president, stated that possible returns on the basis of present metal prices are coming within measurable distance of 1929 figures. He stated that a slight increase in lead and zinc prices would justify operations provided the price of silver remained stable.

The property, however, will require development by deepening the shaft and opening up a lower level. Ore available for milling is somewhat lower in silver content than the average of 1929 and would last only a few months without further development.

Mr. Stewart stated that an amount estimated at $30,000 would be required for development, probably $5,000 to put the property in order and a further amount of $14,000 to clear up pressing liabilities.

Directors Advance $59,000

The balance sheet as at Dec. 31, 1934, shows that in order to protect shareholders' interests directors have made advances to the extent of $59,000 in cash. Other liabilities consist of bank overdraft $3,286; taxes and accrued interest thereon $2,081, salaries in arrears $689, accounts payable $11,396 and owing to the vendors of the property $48,069.

The company has an authorized capitalization of $1,500,000, par $1, all of which is outstanding.

Current Chatter from Manitoba

From Our Own Correspondent

WINNIPEG.—Continued work on the Ventura claims of the Jowsey Island Gold Mines property has made it abundantly clear that the vein found on the surface is the eastern extension of the original find. This clarifies the situation and also indicates a very substantial length to the vein on which good values have been shown both on the surface and by diamond drilling.

* * *

New Company Formed

Development work on the Marie and M. W. Groups, comprising eleven claims, is to be prosecuted vigorously this summer. The property adjoins that of the Central Manitoba Mines and a considerable amount of surface work has already been done, particularly on a strong vein traceable for more than 600 ft. and from which very high assays have been obtained.

Arrangements have been completed through G. Wilson-Smith and a new operating company under the name of the Gudrun Central Gold Mines with a capitalization of 3,000,000 shares. Camps are already on the property and available men are being sent out together with supplies and necessary equipment.

* * *

Consolidated Goldfields

A complete survey of 24 claims of the holdings of Consolidated Goldfields of Manitoba has been made for the company by George Webber. These claims are in the Rice Lake area of Manitoba and have many promising showings.

The 24 claims form only a portion of the ground held by Consolidated Goldfields. Work, however, is being concentrated upon them under the direction of Dr. W. L. C. Greer, who is in charge of a crew of men who have been working more or less continuously for over a year.

* * *

Ranger Gold Mines

Application has been made by Ranger Gold Mines for a 21-year lease upon 17 claims in the Rice Lake area of Manitoba. Spectacular surface showings were found on the Ranger group last fall and surface prospecting together with a drilling programme has been in progress since that time. Sufficient work has now been done to make possible the application to the government for a lease on the entire property.

* * *

Amalgamated Oils

The new test well drilling machine, made by Howell and Co. of Minneapolis for Amalgamated Oils has been delivered at Kakwa, 25 miles south of Hudson Bay Junction and the first of a series of test wells is being commenced this week.

Fort Hope Cons. Mines To Test Vein at Depth

From Our Own Correspondent

HUDSON.—Development operations are being resumed by Fort Hope Consolidated Gold Mines, The Financial Post is informed. A diamond drill was flown into the property from Collins on July 21 for the purpose of testing the main vein at depth.

Fort Hope Consolidated has already seen considerable development. The property was originally held by Fort Hope Gold Mines and later optioned to Fort Hope Gold Syndicate. In 1934 the syndicate was succeeded by Fort Hope Consolidated Gold Mines. The Fort Hope property has seen considerable development. It is equipped with a complete mining plant and a shaft is down to a depth of 100 ft. Some drifting has been done at this depth.

Packsack Mines Plans To Buy Sinking Plant

The acquisition of a sinking plant, putting down a shaft and underground drifting is recommended for Packsack Mines by Dr. J. F. Wright, consulting geologist and Llewellyn Chamberlin, resident manager. The company now owns its properties outright having acquired title to the claims which were formerly under option.

Additional steps are being taken to secure new financing, according to official advices. After some diamond drilling and further surface work has been completed, it is proposed that the consulting engineer's recommendations be carried out.

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SPLIT LAKE MINES COMMENCES WORK ON TYRRELL FIND

Development of Several Old Properties May be Resumed

From Our Own Correspondent

HUDSON.—Prospecting activity is still at fever-pitch in the Sioux Lookout area where the finds at Split Lake, near Alcona, late in June brought prospectors from all corners of Ontario.

The Split Lake Gold Mines had already been formed to develop the claims staked by Bert Tyrrell, who made the find which caused the rush. Development is to commence immediately and this week Starrat Airways took the first consignment of freight into the property. Canadian Airways from Sioux Lookout is busy carrying prospectors and freight into the area.

Previous Activity

Contrary to the popular conception Sioux Lookout area is not a new source of mineral finds. The area has been the scene of rushes and activity in former days. The first activity was in 1897, the second in 1907 and the third period extended from 1927 to 1929. Seventeen of the properties staked in these previous periods of activity are still held in good standing.

In 1897 mining activity centered around Minnitaki Lake. There are nine properties in this section which had good showings of ore. Two of these are owned by Harvey Syndicate and five by John Sykes Mining and milling Co. On one of these at Twin Bay the latter company had a mill installed when financial difficulties forced suspension of operations.

The activity in 1907 netted only one property which saw much development. This is held by Midas Mines and is located at Sandybeach Lake, just west of Minnitaki Lake.

May Revive Old Properties

The 1927-29 period saw seven properties staked, and at least three of these are likely to see development as a result of stimulus given by the current activity in the area. Vaughan Mines with a property five miles south of Sioux Lookout is seeking finances for development while Vermilion Lake Gold Mines has concluded negotiations for the financing of diamond drilling of its property. If drill results are encouraging a shaft will be put down to a depth of 100 ft.

W. H. Price Interested

Alcona Gold Mines property, comprising nine claims on the west shore of Split Lake, staked in 1929 and known as the Michaud group, has seen considerable activity and has been examined by Consolidated Smelters and Atlas Exploration. Diamond drilling done in 1932 showed excellent results, but the property closed down when funds ran out. New interests headed by W. H. Price, former attorney-general of Ontario, are stated to be negotiating for control of the property.

Adjoining the Alcona Gold property is a group of 18 claims held by Echo Bay Exploration Co. No very recent development has been done on this property.

Find Made Last Year

Previous to Bert Tyrrell's recent discovery the area had not been entirely devoid of prospecting. Last summer a rich find was made by Mac McKinnon, Sioux Lookout prospector, at the southwestern end of Minnitaki Lake, 32 miles from Sioux Lookout. Six claims were staked. There are five veins on the property, which average two ft. in width for a length of 200 ft.

Iron Pyrites Deposits

The Sioux Lookout area is also known for its iron pyrites deposits. These are very extensive and the North Pines Mines, which was in active production from 1909 to 1921, is the largest deposit of iron pyrites in Canada. The North Pines Mines closed down because it was unable to compete with the extensive native sulphur deposits in the United States.

Gold, however, seems destined to be the mineral which will put Sioux Lookout on the mining map. The recent discoveries have stirred up considerable interest, and active development of the properties during the present season is looked for.

MAPLE LEAF MINES REVEALS HOLDINGS IN ANNUAL REPORT

Details of Company's Financial Position Are Lacking

Details of the financial position of Maple Leaf Mines, an exploration and holding company with its principal interest in Casey Summit and Casey Contact Gold Mines, are entirely absent from the company's annual report covering operations in the year ended Feb. 28, 1935. No balance sheet or profit and loss statement is included in the report, which consists of a list of the company's holdings and a brief résumé of the work being done by these affiliated companies.

In explanation of the delay in issuing the annual report to shareholders, H. L. Walker, president, states that in view of the fact that one of the chief assets of the company is stock in Casey Summit Gold Mines it was considered advisable to delay the report until the Casey Summit reorganization has been ratified by all parties interested.

Details of the company's holdings are as follows:

Casey Summit Gold Mines

Maple Leaf Mines has acquired additional shares of Casey Summit for disbursements made with reference to reorganization proceedings, and now holds 1,935,000 shares, for which it will receive two shares of Argosy Gold Mines for nine shares of Casey Summit, that is, about 430,000 shares.

Casey Contact Gold Mines

The company holds 600,000 shares of Casey Contact Gold Mines. The report states that surface work and diamond drilling at the Sturgeon River property of Casey Contact have indicated favorable possibilities of finding a mine. A shaft has been sunk to a depth of 200 ft.

Wood Brown Units

The original investment of Maple Leaf Mines in the Wood Brown Syndicate was $500, for which it purchased 20 units. Ten of these were sold for $7,000 and in addition the company received a dividend of $500. The remaining units are being held as a speculation.

NewRoy Gold Mines

Investment in this company's stock consists of 32,000 shares. At the present time NewRoy is inactive.

O'Leary Malartic

Maple Leaf holds approximately 100,000 shares of O'Leary Malartic Gold Mines. This company's property in the Mud Lake section of Quebec is under option to McIntyre-Porcupine Mines.

McKay (Quebec) Exploration

In order to keep in touch with mining development through Eastern Canada, Maple Leaf Mines recently acquired a small interest in McKay (Quebec) Exploration Ltd. This company has several prospecting parties in the Chibougamau area and is said to have acquired some promising claims.

Ore Receipts at Trail Higher Than Last Year

Ore receipts to the Trail Smelter of the Consolidated Mining and Smelting Co. during the current year have been nine per cent higher than in the corresponding period of 1934. From Jan. 1 to July 21 shipments totalled 307,174 tons in 1935 as compared with 287,211 tons in 1934.

In the week ended June 21 shipments of ore and concentrates received at the Smelter totalled 9,568 tons. Of this amount 8,955 tons came from the company's own mines, 467 tons from other mines and 146 tons in the form of cencentrates.

A detailed statement of receipts is given below:

Name of Mine	Tons
Arlington	36
Cliff	18
Evening Star	39
Fawn	4
Highland Lass	49
Number Seven	137
Palador	20
Palmita	87
Silver Reef	1
Standard	45
Tiger	31
Dentonia (concentrates)	58
Meridian (concentrates)	44
Union (concentrates)	44
Company's mines	8,955
Total	9,568

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ROYALITE OUTPUT MONTH OF JUNE 44,134 BARRELS

New Absorption Plant Processing 40 Million cu. ft. of Gas

From Our Own Correspondent

CALGARY. — The commanding position of Royalite as the outstanding naphtha and crude producing company in Turner Valley is revealed in provincial government production figures. Those for June, just released, show that Royalite produced 44,134 barrels, many times as much as any other company.

The other outstanding producers are the independent combination of Mercury, Miracle and Mill City, which accounted for 15,628 barrels; Model, with 5,051 barrels; and Highood-Sarcee with 4,892 barrels; and Century with 4,872 barrels.

The production of oil in the province in June reached the satisfactory figure of 105,183 barrels of which 101,884 barrels were produced in Turner Valley and the remainder in Wainwright and Red Coulee. Oil men anticipate that the total for July will be even higher because at the present time, for the first time in Turner Valley history, three absorption plants are in operation, extracting naphtha from waste gas before it is burned. For years this gas was burned along with many thousands of barrels of naphtha.

New Royalite Plant

The new Royalite absorption plant in the south end of the field was placed in operation in July and is now processing about 40,000,000 cu. ft. of gas daily. The other Royalite plant, in the north central area of the field, and the independent plant of Oil and Gas Products, Ltd. on the Mercury lease are also working at almost capacity.

Drilling Wildcat Wells

At present a number of wildcat wells are being drilled in the hope of making a big crude oil discovery. Encouraging was the report from the Terminal well being drilled by Los Angeles capital on the Del Bonita structure, 35 miles west of Coutts. A good gas showing was encountered at 4,894 feet. The hole was bridged, but was later cleared. Seven-inch casing is being run to what, it is believed, may be the top of the limestone. In the same area a new well known as Twin River No. 2 has been located.

Progress Report

Following is the latest report on Alberta wells in which the public is interested at present:

Banner No. 1, south of Turner Valley—Has gas flow from Blairmore formation estimated at 5,000,000 cu. ft. daily. Drilling proceeding from 1950 ft. and gas being used in boilers. This well is being drilled by Maple Leaf Royalties.

Ranchmen's, Aldersyde structure—Drilling proceeding in hard stratum around 6,640 ft.

Pekisko, Pekisko Hills structure, south of Turner Valley—Drilling from 2,750 ft. with the gas showings increasing in volume.

Hunter Valley, on structure west of Olds—Drilling proceeding below 3,000 ft.

Model No. 3, north end of Turner Valley—Drilling from 2,600 ft. This well is near the Royalite 26 producer.

Union-Freehold, south Turner Valley—Making progress with fishing operations in the limestone. Drill rods were lost in the hole.

British Dominion, south Turner Valley—Making preparations to resume drilling on the last lap to naphtha production in the limestone.

Renfrew Royalty, south Turner Valley—Casing being run to 5,540 feet. Bottom of hole believed just above the main crude producing horizon in the Dalhousie sands.

Production Figures

The following is the official government production report for June:

Turner Valley:	Barrels
Advance	987
Associated	267
Baltac	83
Century	4,872
Dalhousie	544
Foothills	1,322
Freehold-Marjon	2,278
Longview	527
Lowery	213
Merland	2,459
Royalite	44,134
Southwest	77
Anaconda (Oil Investors)	1,640
Carleton	2,674
e-Director	3,100
East Crest	823
Highwood Sarcee	4,892
e-Homestead	133
Hylo	1,236
Marjon	2,208
McDougall-Segur	601
b-e-McLeod	331
e-Mercury, Miracle, Mill C.	15,628
Model	5,051
Pacalta	1,328
e-Publix	205
Richfield	154
Spooner	746
Sterling Royalties	2,876
b-Structure	263
Widney	232
Total:	101,884
Red Coulee:	
O'Neil	377
Vanalta	1,134
Scottish United, SAX.	205
Total:	1,716
Wainwright:	
e-Br. Wainwright	70
b-e-Edmonton Wainwright	509
Hargal	566
Sasko Wainwright	298
e-Wainwright Petroleums	140
Total:	1,583
Grand Total:	105,183

e—estimated; b—corrected for previous estimation.

E. Long, Ltd., Opens Metallurgical Dept.

E. Long Ltd., of Orillia, has announced the formation of a metallurgical department specializing in ore testing, consulting mill design, mill equipment and service with Harry D. Hunt in charge.

Mr. Hunt is a metallurgist and mill operator of considerable experience. He was with the Miami Copper Co. at Miami, Arizona, for 20 years and for eight years was superintendent of that company's modern 18,000 ton concentrator. While at Miami he developed and perfected the Hunt matless pneumatic flotation machine.

Edgecreek Consolidated Gold Syndicate—Surface exploration work has exposed the well-mineralized vein previously cut at a depth of approximately 80 ft. in No. 18 diamond drill hole. Trenching through a swamp has opened up considerable quartz, on which a test pit is now being sunk. Several samples have been taken and shipped for assay.

At the Mines

Austin Rouyn Gold Mines—Development work at this company's property is proceeding with a crew of 22 men concentrating on the sinking of the shaft to its immediate objective of 135 ft. Good mineralization is in evidence in the walls. No further surface work is being undertaken at the present time, but as shaft sinking proceeds the construction of additional permanent camp buildings is being advanced.

* * *

Dentonia Mines—A comprehensive programme of development is being undertaken by Dentonia Mines to pick up the downward extension of the showings on the Anchor claim. Diamond drilling will also be proceeded with in order to locate the extension of the values of the old Jewell workings into the Denero.

* * *

Franklin Gold Mining Co.—This company reports that a new vein has been discovered 180 ft. southeast of the shaft. At the present time the company is carrying out an extensive programme for the purpose of obtaining geological information necessary for effective planning of an underground programme which is contemplated.

* * *

Giffin Gold Mines—S. H. Giffin, president and managing director, has announced that the 20-ton unit of a 40-ton mill is to be installed immediately. Production is expected to commence about Oct. 1. Stamp battery amalgamation followed by plates, blankets and barrel amalgamation, will be the method of extraction for the present. Concentrates will be held until such a time as a larger tonnage has been reached and a cyanidation plant warranted.

* * *

Johnston Knee Lake Mines—Extensive surface development work on this company's property has uncovered a good showing averaging about half an ounce of gold over mineable widths. This vein has been traced for 100 ft. and work is continuing on it.

* * *

Jowsey Island Gold Mines—R. J. Jowsey, president, reports that shaft sinking at the Jowsey Island property will not commence before Sept. 1. He also reports that encouraging diamond drill results are being obtained on the eastern extension of the Jowsey vein, 3,500 ft. east of the original discovery.

* * *

Knee Lake Gold Mines—Is now cutting the station at the second level. The shaft will be continued for another 25 ft. for a sump and then crosscutting on both levels will commence. It is anticipated that the vein will be cut on both levels by August 15.

* * *

Morris Kirkland Gold Mines—L. H. Watts, treasurer of the company, reports good progress in proving up ore, particularly on the high-grade 104 drift. Work on the 104 drift is progressing rapidly, with the ore body opened up in one place for a width of 18 ft. over a length of 15 ft.

* * *

Rickard Ramore Gold Mines—H. Hollands Hurst, engineer-in-charge, reports that work has commenced on the 100-ft. level. A crosscut is being driven on this level with a view to contacting the high-grade shoots of ore indicated by early operations.

* * *

Roche Long Lac Gold Mines—Preliminary exploration at the Albany River property of Roche Long Lac has revealed some interesting showings, and as a result a diamond drilling programme is planned. The drill was flown into the property last week. If drilling results are favorable it is likely that shaft sinking will be considered.

Mining Reports

Base Metals Mining

Base Metals Mining Corp. reports an estimated loss of $2,398 before depreciation, depletion, reserve for taxes and deferred development in the six months ended June 30, 1935. During the period production had a value of only $66,596 as the mill was closed down from Feb. 16 to June 25 inclusive.

The estimated profit and loss statement for the first six months of 1935 is as follows:

Profit and Loss	$
Val. of production, etc., less freight & realization	66,596
Cost of production, incl. devel., mining, milling, adminis. & gen exp.	68,994
Estimated loss before deprec., depl., tax res., & defer. devel.	2,398

McKenzie Red Lake

Production of McKenzie Red Lake Gold Mines in the three months ended June 30 amounted to $164,457 from 13,333 tons milled, giving an average recovery of $12.33 per ton. If, however, gold tied up in the mill circuit is taken into account average recovery per ton was $13.96.

Underground development is being retarded until the 350 and 450-ft. levels, which were opened by a winze from the 250, are connected with the main shaft by raising. This work will be completed in the near future and aggressive development will then be carried out, particularly on the 450-ft. level.

Results from the small amount of development work done during the period have been satisfactory.

All ore supplied to the mill during the period reviewed by the quarterly report came from the 150 and 250-ft. levels and from development. W. G. Armstrong, president, remarks that it is encouraging to note that the grade of ore milled is higher than the original estimate of the grade on these two levels, which was .37 oz. The average grade of ore milled has been .408 oz.

The summary of milling operations since inception and up to June 30 is as follows:

Total ore hoisted	tons	15,423
Low grade material sorted	tons	2,090
Dry tons milled	tons	13,333
Aver. grade of ore milled	oz.	0.408
Percentage of extraction	%	97.8
Val. of bullion produced to June 30, 1935, in Canadian funds		*$164,457

*In addition $21,710 in gold is tied up in the mill circuit.

Bailor Gold Mines

Prior to the suspension of operations on its properties in the Beresford Lake section of Manitoba on Nov. 15 last Bailor Gold Mines expended the sum of $42,322 on development, the annual report of the company shows.

Working capital as at Dec. 31 last amounted to $31,395, the balance sheet shows. Cash on hand totalled $31,772 while the sum of $644 was owing from sundry debtors. Current liabilities consisted of accounts payable of $1,021.

Investments shown at a cost of $10,001 consist of 30,000 shares of Border Gold Mines, 10,000 shares of which were purchased for a cash consideration of $10,000 and 20,000 shares acquired in consideration for the transfer of an interest in certain mining claims.

Announcement is also made in the report that since the first of the year the company has acquired under option the McCafferty group of claims at Herb Lake, Manitoba. Development of this property is proceeding.

Below is given a detailed statement of expenditures in 1934:

Development Account
June 8, 1934, to Dec. 31, 1934

Development expenditure:	$
Wages undistributed	7,062
Diamond drilling	6,089
Travelling expenses	3,770
Boarding house exp.	2,305
Salaries	2,117
Freight & cartage	1,186
Claims expense	1,008
Explosives	611
Workmen's compensation	326
Assaying	252
Misc. expense	251
Office exps.	239
	25,214
Administrative & General:	
Organization exp.	3,810
Telephone & telegraph	1,762
Misc. exps.	1,174
Office rent	936
Legal and audit	280
Office exp. & supplies	146
	8,108
Expend. on claims abandoned	9,000
	42,322

Working Capital
As at Dec. 31, 1934

	$
Current assets	32,416
Current liabilities	1,021
Working capital	31,395

McIntyre-Porcupine

Net profits of McIntyre-Porcupines Mines in the three months ended June 30, 1935, was 16 cents per share lower than in the corresponding period of 1934, amounting to $1.03 per ton.

While gross income after deduction of bullion tax was only $17,556 lower than in the second quarter of 1934 net profit showed a decrease of $129,621 as a result of higher costs and taxes and an increase in the provision for depreciation.

Gross income totalled $2,034,896. This represents the actual receipts from the Mint after deduction of bullion tax of $105,588.

Comparative figures for the second quarter of 1935 and 1934 are given below:

Income Account
Three Months Ended June 30

	1935 $	1934 $
Gross income	2,034,896	2,052,452
Less: Costs, incl. devel.	939,922	858,567
Taxes	189,135	166,301
Depreciation	83,726	75,850
Net income	822,113	951,734
Earned per Share	$1.03	$1.19

Note: — Gross income represents actual receipts from the Royal Canadian Mint after deductions made on behalf of the Dominion Government amounting to $105,588.

Big Long Lac Gold Mines Acquires Mud Lake Claims

Big Long Lac Gold Mines has acquired an option on a group of ten claims in the Mud Lake area of Quebec. The group is tied on to the west boundary of the Sharp-Anderson property, at present under option to F. M. Connell and associates.

Preliminary exploration work has resulted in the discovery of several good-looking gold showings. One promising vein has been opened up for a length of 75 ft. showing widths up to eight feet, both ends being still open. Two grab samples assayed .26 ounces and .28 ounces respectively, while a chip sample across 30 inches yielded an assay of .48 ounces.

Public Utility Earnings

Canada Northern Power

June—	1935 $	1934 $	Incr. $
Gross earn.	365,397	338,621	26,776
Oper. exps.	137,640	117,867	19,773
Net earn.	227,757	220,754	7,003
Six Mos. ended June 30:			
Gross earn.	2,159,567	2,002,199	157,368
Oper. exps.	799,274	668,395	130,879
Net earn.	1,360,293	1,333,804	26,489

Mexican Light & Power

May—	1935 $	1934 $	Decr. $
Gross earn.	649,138	699,251	50,113
Oper. exp.	461,381	453,811	*7,570
Net earn.	187,757	245,440	57,683
Five Months—			
Gross earn.	3,152,232	3,496,364	344,132
Net earn.	905,567	1,284,128	378,561

* Increase.

Twin City Rapid

12 Months end. June 30	1935 $	1934 $	% inc. or dec.
Oper. rev.	8,560,423	8,337,796	+02.67
Oper. exp.	6,123,028	5,969,217	+02.58
Net oper. rev.	2,437,394	2,368,579	+02.91
Taxes assign.	942,160	774,139	+21.70
Oper. income.	1,495,234	1,594,439	—06.22
Non-oper. inc.	83,912	87,481	—04.08
Gross income.	1,579,146	1,681,921	—06.11
Int. on fund. debt	1,206,977	1,216,582	—00.79
Amortiz. of disc. on fd. debt	70,303	70,382	—00.11
Misc. rents, etc.	15,375	14,433	+06.53
Deduct. from gross inc.	1,292,656	1,301,397	—00.67
Net income	286,490	380,524	—24.71

Barcelona Traction

June:	1935 Pesetas	1934 Pesetas	Increase Pesetas
Gross earn.	9,224,632	8,582,781	641,851
Oper. exps.	3,468,964	3,275,471	193,493
Net earn.	5,755,668	5,307,310	448,358
Six Months Ended June 30:			
Gross earn.	61,291,218	59,035,149	2,256,069
Oper. exps.	22,571,404	20,941,135	1,630,269
Net earn.	38,719,814	38,094,014	625,800

Mining Stock Quotations

Week Ending July 29.

Par Val.	Range 1935 High	Low	Company	Sales	Close July 22 (or last)	High for week	Low for week	Close July 29
1	.74	.38	Afton	37,150	.69½	.70	.65	.67
No	.11	.04	Aldermac		.04½			
1	.08	.04	Calmont		.05½			
No	.05½	.03½	Common Pete	2,500	.04	.03½	.03½	.03½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VANCOUVER STOCK EXCHANGE

Par Val.	Range 1935 High	Low	Company	Sales	Close July 22 (or last)	High for week	Low for week	Close July 26
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OIL STOCKS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Interim. ‡Initial.

MUTUAL PULP STARTS BUILDING $5,000,000 PLANT

Expects to Complete 250-ton Bleached Sulphite Plant by 1937

From Our Own Correspondent

VANCOUVER.—Officials of the Mutual Pulp & Paper Mills of Prince Rupert, Ltd., pulp project, announce that their plans are now complete and that actual construction of a $5,000,000 250-ton bleached engineering sulphite plant will proceed as soon as certain engineering details can be worked out.

Frank L. Buckley, of Vancouver, has been the chief figure in the enterprise and he is being backed by San Francisco and Wisconsin financiers.

Arrangements are said to have been completed for marketing the entire output of the mill by rail and water in eastern Canada and the middle western states.

Water will be obtained from Shawatlans Lake and power will be taken from the Northern B.C. Power Company, augmented by what the company may produce itself.

The company will employ some 2,000 men, including those who will be engaged in logging. The construction period will be about 18 months and logging operations will be started before construction is completed.

The company controls 4,500,000,000 feet of titled timber on Queen Charlotte Islands and on the Skeena River.

C. P. R. Net Earnings Down First Six Months

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railway Company's earning in the first half of 1935 were as follows: gross, $56.5 millions; net $6.1 millions. The gross declined $682,056 from the total for the first half of 1934 and net declined $2 millions. Workings expenses were up $1.3 millions to $50.15 millions.

In June, 1935 and 1934, earnings were respectively as follows: gross $10.2 and $10, up $180,608; net $1.4 and 1.8 millions, down $351.767. Slack shipments of wheat in recent months account for the change. Hope for the second half depends on revival of British demands for Canadian supplies mainly.

C. N. R. Gross and Net First Half 1935 Down

From Our Own Correspondent

MONTREAL.—Canadian National Railway's net revenue for the first half of 1935 was $2.2 millions against $4.4 millions for the first half of 1934. Gross amounted to $80.1 millions to June 30, 1935, as compared with $79.5 millions to June 30, 1934. Where gross increased $646,575 operating expenses went up $2.8 millions to $78 millions.

June's operating revenue amounted to $13.7 millions against $13.9 in June, 1934. Operating expenses in June were $14.2 compared with $12.9 in June, 1934.

Profits were up in the first three months but declined in the second quarter with June particularly lean.

Canadian Western Lumber
Statement of Lumber Manufactured, Sales and Price Realized

May—	1934 Feet.	1935 Feet.	Decrease. Feet.
Lumb. Man.	9,394,217	7,811,000	1,583,217
Lumber Sold	8,525,216	11,981,390	*3,456,174
Price Real.	$155,384	$184,323	*$28,939
Aggre. Man.	†43,461,889	40,505,626	2,956,263
Lmber sold	†44,573,654	43,077,304	1,496,350
Price real.	$747,582	$656,334	$91,248

*Increase. †From Jan. 1 to end of May

Railway Earnings

Canadian National Railways

June:	1935 $	1934 $	Decrease $
Oper. rev.	13,713,606	13,915,447	201,841
Oper. exps.	14,207,938	12,927,154	*1,280,784
Net deficit	494,332	988,293	1,482,625
Aggregate to June 30:			
Oper. rev.	80,143,322	79,496,747	*646.575
Oper. exps.	77,964,257	75,118,206	*2,846,051
Net rev.	2,179,065	4,378,541	2,199,476

*Increase.

Canadian Pacific Railway

June:	1935 $	1934 $	Increase $
Gross earn.	10,189,871	10,009,263	180,608
Expenses	8,786,059	8,253,684	532,375
Net earn.	1,403,812	1,755,579	*351,767
Six Months:			
Gross earn.	56,528,624	57,210,680	*682,056
Expenses	50,466,605	49,156,268	1,310,337
Net earn.	6,062,018	8,054,412	*1,922,394

*Decrease.

Company Earnings

Dominion Square Bldg.

Without making provision for depreciation, Dominion Square Building, Montreal, fell short of earning interest requirements on the first mortgage bonds in the 16 months ended April 30, 1935. After paying the coupon due Oct. 1, 1933, first mortgage interest remains nine per cent in arrears. In its report for the 16 months the bondholders' committee makes no deduction for interest on general mortgage bonds in showing the deficiency of earnings to meet interest charges. These junior charges are accumulated in the balance sheet, however, bringing the deficit account to $1,739,312. The committee points out that interest and dividends have never been paid on the general mortgage bonds and on preferred and common shares. Comparative figures follow:

Income and Deficit Account

	16 mos. ended Apr. 30 1934 $	12 mos. ended Dec. 31 1933 $
Gross oper rev.	616,264	463,698
Less: Oper. & admin. expenses	191,756	145,940
Taxes	160,636	124,802
Net oper. rev.	263,872	192,956
Int. earned	2,026	......
Income*	265,898	192,956
Less: Int. 1st mtg. bds.	375,200	281,400
Excess of int. over earnings	109,302	88,444

*Before depreciation.

Balance Sheet Figures

Assets		
Current	8,447	9,858
Cash with trustee	*131,825	9,189
Fixed assets	9,446,245	9,447,406
Liabilities		
Current	15,145	43,790
Deferred	4,622	6,163
1st mtge. bonds	4,690,000	4,690,000
Deficit	1,739,312	1,237,869

*Used to pay coupon on July 2, 1935.

Minneapolis, St. Paul & Sault Ste. Marie Ry.

Minneapolis, St. Paul & Sault Ste. Marie Railway Co., and its subsidiary, Wisconsin Central Railway, show substantially increased deficits for the first six months of this year compared with the 1934 period. The "Sault Line" is paying interest under its guarantee of part of the W.C. bonds and the C.P.R., as guarantor, is in turn being called on to meet heavy "Sault Line" obligations.

Adverse crop conditions in Michigan, Wisconsin, Minnesota and the Dakotas are responsible for the poor showing of the roads. This year crop conditions are considered much better than in 1934, but may only be felt later in the year. Poor crops last year had the effect of reducing traffic volume, most of which was at low rates, especially in the last half of the year. It is not improbable that better conditions this year may enable the roads to improve their results in the second half. Results of both companies for the first half-year are as follows:

Sault Line
Six Months Ended June 30

	1935 $	1934 $
Oper. revenue	5,547,956	5,816,981
Less: Oper. exps.	5,579,827	5,389,657
Net oper. revenue	†31,871	427,324
Less: Taxes & uncollect. revenue	399,023	510,934
Rly. oper. revenue	†430,894	†83,610
Add: Non-oper. inc.	‡327,129	‡378,216
Gross income	†758,023	†461,826
Less fixed charges:		
Hire of equip.	*50,115	*58,213
Rent terminals	106,132	103,101
Int. on debt	2,666,028	2,555,199
Net deficit	3,480,068	3,061,913

†Deficit. ‡Debit. *Credit.

Wisconsin Central
Six Months Ended June 30

	1935 $	1934 $
Oper. revenue	4,804,387	4,869,119
Less: Oper. exps.	3,831,103	3,757,457
Net oper. revenue	973,284	1,111,662
Less: Taxes & uncollect. revenue	338,198	388,483
Rly. oper. rev.	635,086	723,179
Add: Non-op. inc.	‡202,950	‡164,976
Gross income	432,136	558,203
Less fixed charges:		
Hire of equip.	393,604	400,798
Rent terminals	251,524	275,694
Int. on debt	942,195	921,402
Net deficit	1,155,187	1,039,691

‡Debit.

Dominion Stores

For the first six periods of the current year, 24 weeks to June 15, 1935, Dominion Stores had a loss of $370,571 as against a profit of $120,224 for the first 26 weeks of 1934. An official statement from the company states that operations in the current year have been charged with depreciation at the usual rates amounting to $88.507. There has also been charged an amount of $49,790 being that cost of rehabilitation and renovation of stores. This sum, it is stated, includes an amount of $6,000 covering accounts not yet passed for payment.

Sales and Earnings

	24 weeks 1935 $	26 weeks 1934 $
Sales	8,004,021	9,756,205
Net profit	......	120,224
Net loss	370,570	......

Note:—Sales for the first 24 weeks of 1934 were $8,989,309. The average number of stores in operation this year was 485, as compared with 504 last year.

Working Capital

	June 15 1935 $	Dec. 29 1934 $
Current assets	3,020,906	3,296,635
Current liabs.	820,195	720,255
Working capital	2,200,710	2,576,380
Current ratio	3.7—1	4.5—1
Cash and call loans	1,552,035	1,186,396

*Includes guaranteed investment certificates.

Demerara Electric

Demerara gross earnings in 1934 were slightly higher than in 1933 and the net slightly lower. As abandoned property was written off to the extent of $450,728 the accumulated surplus dropped during the year from $470,109 to $17,920.

Working capital deficit increased from $451,169 to $494,892, the loan payable increasing by more than $48,000 to $549,720. During the year $500,000 in first mortgage bonds were paid off and replaced by $422,400 first mortgage 5½ per cent debenture stock. Fixed assets are now shown at $1.4 millions.

Income and Surplus Account
Years Ended December 31

	1934 $	1933 $
Gross earnings	244,575	237,438
Less: Oper. exps. and taxes	121,245	113,778
Net earnings	123,330	123,660
Add: Profit on exch.	4,477	......
	127,807	123,660
Less: Retire. res.	108,800	20,000
Bond interest		25,000
Other interest		48,510
Loss on exchange		6,040
Net profit (surp.)	19,007	24,110
Add: Prev. surp.	470,109	445,999
Less: W/o property	450,728	......
Misc. adjust.	20,468	......
Bal. car. forward	17,920	470,109

Working Capital

	1934 $	1933 $
Current assets	77,684	79,076
Current liabs.	572,576	530,245
Working capital*	494,892	451,169
Ratio	0.13—1	0.15—1

*Excess current liabilities over current assets.

Dufferin Paving Plan Confirmed by Letters

Reorganization approved recently by bondholders and shareholders of Dufferin Paving & Crushed Stone is now effective. Supplementary letters patent dated July 22 have been issued confirming the arrangement.

Public holders of the company's first preference shares are to receive $110 principal amount of five per cent A debentures for each share held. Public holders of common shares will receive $10 principal amount A debentures for each common share.

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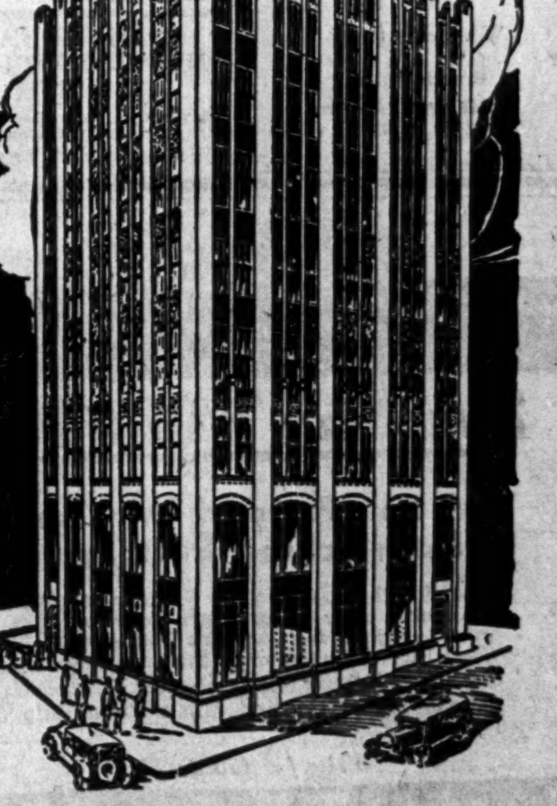

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TO RESUME WORK AT ARDEEN MINES FUNDS ARRANGED

Development Programme Planned to Increase Ore Reserves

From Our Own Correspondent

HUDSON.—Ardeen Gold Mines, which suspended production at the old Moss property, Thunder Bay district, when the company ran into financial difficulties late in 1934, has completed financial arrangements which will enable it to resume work at its property, The Financial Post is informed.

The mine is to be reopened immediately and a programme of diamond drilling and other development carried out in order to open up sufficient ore to justify resumption of milling operations. It is hoped that the mine will be in production again in a few months.

Ardeen Gold was formed in 1933 to take over the properties and assets of Moss Gold Mines, which went into receivership in Sept., 1933. Shareholders of Moss received one Ardeen share for each three of Moss held. Moss Mines was formed in 1927 by the Shield Development Co., which acquired the property in 1925 after the mine had been inactive since 1884, when it was known as the Huronian Mine. It is said to be one of the first gold discoveries in Ontario where any appreciable amount of gold was found.

Drills on Property

Ardeen, with a 200-ton milling plant installed was in production for over two years, the plant treating first ore in 1932 and closing down in the latter part of 1934. The plans at present call for up to 20,000 ft. of diamond drilling, and the drills are now on the property. The mine has been kept free of water since the shut-down, so that underground development can be resumed with no interference. Milling will not be recommenced at Ardeen until the mine has further ore in sight in addition to the $250,000 worth of $12 ore which is now blocked out. Ore reserves which can be worked at a profit total 20,000 tons.

Interesting Ore Found

When Ardeen closed down, drifting had just begun to enter into interesting ore on the 1,000-ft. level, where it is now proposed to do considerable lateral development. Drilling is to be done on the 375-ft. level, for 1,000 ft., 8,000 ft. on the 875 and 1,000-ft. levels. The balance is to be done on surface.

The Ardeen property is equipped with electrical and steam power, a mining plant and a mill which operates efficiently and cheaply. There are three shafts, down 1,054, 150 and 60 ft. respectively. Ardeen produced $828,000 in gold and $70,000 in silver before the shut-down. R. W. Howe, M.E., consulting engineer in charge, is of the opinion the mine could be put in shape for a 1,000-ton mill if sufficient capital could be raised for the necessary mine development.

At the Mines

McManus Red Lake Gold Mines—is carrying on active development at its property one mile east of Howey Gold Mines. Refinancing has been successfully completed. The property consists of 725 acres, comprising 18 claims.

• • •

Falcon Gold Syndicate—has moved a diamond drill crew into its property, and an extensive drilling programme is under way. The property, which is situated at Faulkenham Lake, four miles southwest of Howey, has been active since the break-up.

• • •

Orecana Trusts—plans a greatly enlarged mine campaign at the Edwards property in the Goudreau area, Algoma district. Development to a depth of 100 feet has yielded encouraging results. At the present time a larger mining plant is being installed on the property.

• • •

South McKenzie Island Mines—is carrying on active development at its McKenzie Island property after being shut down since last fall. A number of interesting showings have been located on the company's 16 claims.

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PATRICIA DISTRICT MARCHES ONWARD AS GOLD PRODUCER

Production of $3.7 Millions Expected in Current Year

(From Our Own Correspondent)

HUDSON.—The Patricia district of Northern Ontario is rapidly developing into a gold mining field of considerable importance. With its six mines in production, two of which have only small test plants, a production of approximately $3.7 millions is looked for in the current year as compared with $1.8 millions in 1934.

While two new names have been added to the list of the district's producers since the first of the year and a third one has enlarged its milling plant there is no gain in the number of companies operating since two companies which were active last year have shut their mills down temporarily. These two companies are J. M. Consolidated, which has a mill with a 30-ton daily capacity, and Casey Summit, where a 50-ton milling plant was installed in 1934. The total capacity of the district's active mills is at present 1,775 tons as compared with 1,545 tons in 1934.

Two New Producers

The two new producers since the turn of year are Pickle Crow Gold Mines and McKenzie Red Lake Gold Mines, both of which are giving a good account of themselves. Both have a mill capacity of 125 tons daily. In April, Central Patricia Gold Mines stepped up its milling capacity from 60 to 110 tons. The only other change in milling plants will take place at the Sol D'Or property where a 50-ton mill is being installed. This will not be in operation until late in the fall. The capacity of the present plan on the property is five tons.

The estimate of $3.7 millions for the value of the district's output in 1935 is based upon current operations of the six mines at present producing. Howey Gold Mines, the oldest producing property in the area, will lead the way with a production of approximately $1,500,000. Pickle Crow will occupy second position with an output of $1 million expected. Central Patricia operations should yield $600,000, McKenzie Red Lake about $500,000 while the Cooper and Sol D'Or properties will produce roughly $60,000.

The production figures for 1934 for mines in the Patricia district are as follows: Howey, $1,500,000; Central Patricia, $220,000; Casey Summit, $30,000; J. M. Consolidated, $25,000; Sol D'Or, $29,000; Cooper, $20,000, a total of $1,805,000. Previous to 1934, Howey was the only producer in the district.

1936 Prospects Good

Looking forward to 1936 the prospect for a number of new producers appears bright. The John T. Cole property at Red Lake and Hudson Patricia at Woman Lake are regarded as fairly certain producers. In addition Red Lake Gold Shore, Gold Eagle and May-Spiers at Red Lake and Bathurst Gold Mines at Woman Lake have fair prospects of entering the production stage.

It is also probable that production of at least four producers will be greatly increased in 1936. Officials of Pickle Crow Mines are reported to be considering increasing its mill capacity from 125 to 200 tons. An increase in mill capacity at McKenzie Red Lake is also regarded as probable while Sol D'Or has definitely decided upon the installation of a 50-ton mill. If electric power is secured and development is favorable J. M. Consolidated may step up its plant from 30 to 100 tons.

In addition to the Patricia producers there are ten other producing mines in Northwestern Ontario. These are Little Long Lac, Northern Empire, St. Anthony, McMillan, Minto, Parkhill, Tashota, Edgelake, Bruse McMartin and S. B. Smith.

Smelters Takes Option on Gold Mountain Mines

From Our Own Correspondent

VANCOUVER.—Development at Gold Mountain by Consolidated Mining and Smelting Company under its option agreement will be started at once, according to Howard W. Clegg, fiscal agents for the Gold Mountain Co.

Smelters' bid for the option was the most favorable of several received, Mr. Clegg reported. Smelters will put up $50,000 as an investment in the property and additional funds will be provided for as long as considered justified. These additional funds will be paid back out of first profits with interest, and Smelters will assume 60 per cent interest in the mine.

Smelters' entry into the Hedley district is welcomed by other companies operating there, such as Kelowna Exploration, Hedley Amalgamated, Hedley Sterling and Mascot.

Mining Claims Staked Lower Than Last Year

From Our Own Correspondent

SUDBURY. — Although exploration and development of mineral prospects is proceeding throughout the north to a marked degree this year, it is noticeable that staking activity has been unusually light so far this summer. The North Bay office of the Department of Mines, where records of mining claims are received for mapping purposes, advises that notices of stakings are arriving at the office on the average of only about 30 claims daily. This figure is much below that of previous years.

The staking being done is not confined to any individual section. Prospectors recently have staked a number of claims around Sioux Lookout. The Sudbury office reports conditions very quiet in the recording line, although renewal of prospectors' licenses this spring was up to average, and there are a number of parties known to be scouring likely localities.

Sand River Gold Mines — Results of diamond drilling on this company's property in the Sturgeon River field have been so encouraging that a programme of shaft sinking has been decided upon. Extended surface work is under way and results of this will be correlated with the drilling results before the shaft is cited.

Flin Flon Gold Starts Drifting On First Level

From Our Own Correspondent

WINNIPEG. — Underground exploration at the Douglas Lake property of Flin Flon Gold Mining Syndicate, southwest of Flin Flon, is advancing rapidly. Since early in June the shaft has been completed to 158 ft. in depth and a station cut at 125 ft. where drifting on the vein is now under way.

Plans for the immediate future include the advancement of drifting as fast as possible to explore the ore indicated at the 125-ft. horizon by diamond drill intersections. The shaft will be completed to about 275-ft. in depth and the vein explored on the 250-ft. level.

The exploration of this gold deposit was commenced last August and since that time steady progress has been made. From drilling results it is estimated that there is approximately 22,000 tons of ore per each 100-ft. of depth averaging $11.50 per ton across mining widths. The property is equipped with a modern mining plant large enough to explore the deposit to a depth of 500 ft.

TIMMINS ENGINEER MAKES INSPECTION OF NFLD. PROPERTY

Government Geologist is Greatly Pleased With Results

From Our Own Correspondent

ST. JOHN'S, NFLD.—Dr. A. K. Snelgrove, government geologist, described himself as "greatly pleased" with his investigations of the gold-bearing properties at Sops Arm and Mings when interviewed by The Financial Post last week during the course of a flying visit to St. John's.

Dr. Snelgrove, who has been making an examination of the Simms Ridge property at Sops Arm and the Goldenville property at Mings, along with A. Pare, representing the Timmins interests, refused to commit himself further. The N. H. Timmins Inc. of Montreal has an option on both of these properties.

Goldenville is not a new property, having been worked several years ago when it yielded considerable gold. It is developed to a depth of 100 ft. with two levels established. The workings have been dewatered and Mr. Pare with two assistants are making thorough examination of the mine taking numerous samples. At the 100-ft. depth the vein "looked very strong."

Simms Ridge, unlike Goldenville, is virgin territory. Here the local operators cut 16 trenches, some of them 15 ft. deep. The vein has been traced for over 800 ft.

Nfld. Prospecting Syndicate

Adjoining the Goldenville claims the Newfoundland Prospecting Syndicate is carrying on active exploration work. A score of men are engaged in trenching and it is stated that they have discovered some mineralization. Dr. Snelgrove was unable to say, however, what success had attended the syndicate's efforts.

The immediate work of the Geological Department is the preparation of a topographical geological map of Sops Arm. A survey party is now engaged with this work. This geological map will, it is hoped, prove to be of great value to prospectors, as it will indicate where profitable prospecting in the locality can be done. As part of its recovery programme the Commission government is anxious that efforts be concentrated on work which may lead to direct development.

New Discovery Made

Reports of another gold discovery at Indian Bight, Little Bay, on the northern shore of Notre Dame Bay, state that trenching has disclosed gold bearing mineral. No examination of this property has been made by the government geologist. It is expected, however, that the department will request Mr. Pare to make an examination before his return to Canada.

Molybdenite deposits on the island are to receive investigation this summer. Mr. Edwards, a Welsh mining engineer, has optioned the deposit at Fleur-de-Lys. It is likely that the deposits at Recontre and Fortune Bay, on the south coast, will also be undertaken.

Claude Howse, assistant geologist, is at present at St. Lawrence, examining the Fluospar property of the St. Lawrence Corp. of Nfld.

Erdofy Interests Ousted from Control of Nicola

From Our Own Correspondent

VANCOUVER.—Nicola Mines and Metals has been opened again, P. L. Bancroft, who heads the new board of directors, reports. It will be remembered that some months ago there was considerable antagonism between the Bancroft interests and the group headed by H. R. Erdofy of New York who assisted in financing the enterprise following reorganization of Planet mine. Erdofy and his associates are now merely shareholders in the company, according to Bancroft. Among new directors are Nels Nelson of New Westminster, Alex Pantages, S. E. Betts, Leo Bancroft, D. R. Girdwood and Major C. A. Moon, representing the Donohue interests.

Kenora Prospectors Installs 50-ton Mill

From Our Own Correspondent

HUDSON. — First production for the Cornucopia property of the Kenora Prospectors and Mines Limited at Cedar Island on Shoal Lake, in the Lake of the Woods district is scheduled for early October. Installation of the 50-ton milling plant has already commenced, and foundations for the crushing plant and ball mill have been completed as well as foundations for the mill building. The work on the superstructure of the building will be completed soon. Additional ore reserves are being blocked out underground in preparation for production within three months.

MAIN PROPERTIES IN STURGEON RIVER GET GOOD RESULTS

Casey-Contact Gold Mines Completes Shaft Sinking

From Our Own Correspondent

HUDSON.—Following the period of "dead work" represented by shaft sinking, operations on the two most advanced prospects in the Sturgeon River gold field have now approached the point where ore news can be expected. Casey-Contact Gold Mines is cutting a station on the 200-ft. level, which is the present objective of the exploration, and as only a limited amount of cross-cutting is entailed in reaching the vein which is to be attacked, word of results on this should be forthcoming in a few days.

At Sturgeon River Gold Mines, financed by Coniagas Mines, rapid progress is being made in shaft sinking, this enterprise having somewhat more ambitious plans for depth work, and within the next month the objective of 500 ft. will have been achieved, as Sturgeon River Gold has set near-records in the sinking of its three-compartment shaft.

This company's work is centred on the Wood-Brown claims which in early discovery days and subsequent surface work and diamond drilling under Coniagas' auspices became an exploratory sensation. In surface disclosures and drilling the property showed extremely rich vein occurrences, with the cores drawn from drilling having established a record as being the richest drill cores ever noted in an Ontario gold prospect. Sturgeon River Gold will establish levels at 125, 250, 375 and 500 feet to open up these core intersections underground.

MacJoe Sturgeon

Between these two "main street" properties of the area, MacJoe Sturgeon Gold Mines is aggressively exploring its property, and is at present engaged in diamond drilling. MacJoe has been successful in locating a number of veins, though economic promise has not been sustained in the majority of those investigated. The most important showing is the No. 26 vein, which is presently exposed for 900 feet, the widths running from a few inches to as wide as three feet. Complete sampling of the occurrence has not been finished, but individual samples are stated to run from .5 ounce to one ounce per ton gold. A high grade vein known as the No. 21 has shown widths of 3 to 9 inches for 200 feet and is indicated in diamond drilling for an additional 200 feet and surface samples have returned as high as 12.35 ounces gold.

Sand River Gold Mines

Sand River Gold Mines has also met with pronounced encouragement in its exploration work, where diamond drilling is also under way. This prospect is located somewhat to the west and south of the others mentioned and is closer to the Canadian National Railway. The discovery vein occurs in a strong and persistent break along which vein showings have been opened for 4,000 ft. Surface sampling of one section of 455 ft. gave an average of $26.61 over 15 inches, and drilling and surface work combined has given a length of 575 ft. returning average grade of .67 ounces across 13 inches, giving rise to an ore estimate of 11,900 tons in this block. There are other possibilities which are being explored under the capable supervision of J. Russel Cryderman, staker of the property and G. B. Tribble.

Throughout the Sturgeon River field a substantial amount of activity is observable, and results are reported from surface work on several prospects. Considering the nature of the "boom" which surrounded the area in its discovery days, and the amount of promotional activity attached thereto, Sturgeon River appears to be giving an excellent account of itself from a standpoint of real mining effort.

SMELTERS PLAN LARGE OPERATION AT BIG MISSOURI

Large-scale Development Indicated by J. J. Warren

From Our Own Correspondent

VANCOUVER. — A recent statement of J. J. Warren, president of Consolidated Mining and Smelting Co., regarding the Canadian Northeastern Railway project, is being interpreted in northern British Columbia as an intimation that Smelters plans to proceed with development of Big Missouri mine on a large scale.

Mr. Warren stated that Smelters was not going ahead with the railroad at this time because copper prices are at a low level, because the company had been put to heavy expense at the Trail fertilizer plant and plans important development work at Big Missouri.

Smelters is also known to have asked the provincial government to assist with construction of a road to Big Missouri. A crew is already on the job. Hon. F. M. McPherson, minister of public works, recently announced that the government would build the road if a 1,500 or 2,000 ton mill were to be established at Big Missouri.

Rosedale Ore Zones Show Better Values

H. R. Bissell, M.Sc., directing operations on the property of Rosedale Gold Mines, Limited, in the State of New Mexico, U.S.A., in a report from the mine states: "The ore zones are opening to greater extents and are showing better values than was anticipated. This is the case, both on the 250 south and also the 450 south where new stopes are being opened. Rosedale is shaping up well and I see no reason why all estimates as to costs and tonnage cannot be reached easily."

Recovery from concentrating and cyanide units is around 85 to 90 per cent. These figures compare with an estimated extraction of 75 per cent. At present, the concentrates are shipped to the smelter at El Paso, but in a few weeks the bullion will be refined on the property.

Island Mountain Recovery Higher Profit $47,446

Satisfactory results are reported by Island Mountain, operating in the Cariboo district of British Columbia, for the first six months of the current year. Net profit for the period amounted to $47,446 after all charges. Operating profit before depreciation, depletion and taxes was $131,459.

Recovery in the six months totalled $270,402 from 12,797 tons of ore milled. This gives an average recovery of $21.13 per ton as compared with $20.58 in the two months that the mill was operating in 1934.

Substantial reduction in the deficit in the company's working capital is also shown, net current liabilities amounting to $59,982 as compared with $165,976 at the end of 1934. This indicates that the advance owing to Newmont Mining Corp., which at Dec. 31 last totalled $225,500, will be repaid by the end of 1935.

SOUTH TIBLEMONT SHIPS EQUIPMENT TO SUDBURY AREA

Plans Programme of Underground Work at Beckley Property

From Our Own Correspondent

SUDBURY. — A programme of underground development at the Beckley property of South Tiblemont Mines in Falconbridge twp., near Sudbury, is now well advanced.

Mining equipment, brought out by aeroplane from the company's closed operations in Tiblemont twp., Quebec, is now on its way to the Beckley claims, and will be on the ground in a few days. A contract has been let and work has been started on four camp buildings, which are to be completed by Aug. 15.

Recently South Tiblemont completed a programme of diamond drilling, amounting to about 1,900 ft., and the entire property has been explored. Results were considered promising enough to warrant a campaign of underground development. The location of a new shaft has been selected, and work is expected to be under way as soon as accommodation for the working force is ready. Operations for the present will be powered by a Diesel engine.

Drill Results Good

The Beckley property was explored by a man of that name several years ago, and last year C. H. Hitchcock and Lionel Brooke, Sudbury engineers, as a private venture diamond drilled the property. Three of the five holes put down cut ore of encouraging grade. It is stated the drilling done by South Tiblemont since the company optioned the property has served to enlarge the indicated ore deposit.

The Beckley consists of five claims. The department of Northern Development has constructed two bridges on the road to the property, thus making access to the property easy. Operations are under the supervision of J. E. Jerome, consulting engineer.

Supreme Gold Mines Reports Good Results

From Our Own Correspondent

HUDSON.—Supreme Gold Mines reports that surface exploration on its property in the Sturgeon Lake area has yielded satisfactory results. Some very interesting samples have been tested from the main vein. Two other veins have also given good results. On the Stewart vein a shaft is down to a depth of 50 ft. and on the Contact vein to a depth of 40 ft. The property is equipped for sinking operations to a depth of 500 ft.

Shareholders of the company at a special general meeting approved an agreement with J. G. G. Kerry, engineer, trustee for the Supreme Gold Mines Syndicate, whereby the latter group will provide funds to bring the property into production. Under the terms of the agreement the Syndicate will carry on a programme of development, including diamond drilling and installation of a 25-ton mill.

The Chief and I WERE TALKING..

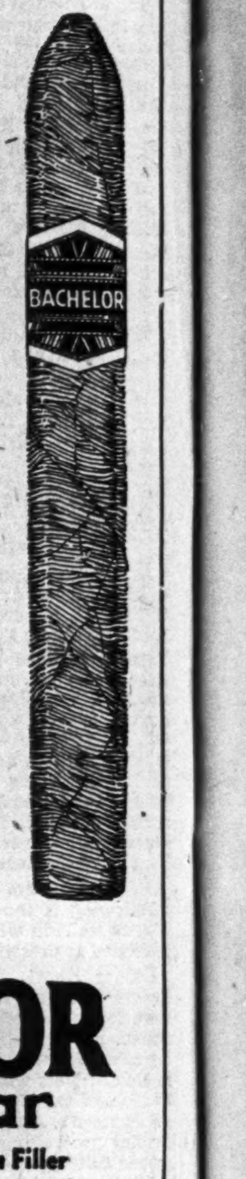
Our conversation was as full of odds and ends as a small boy's pockets. On the roof opposite the heat was dancing while from the street below came the metallic roar of traffic. It was the wrong kind of day to be in an office. And no kind of day for working. Away up north the trout were leaping, and lucky carefree mortals were diving off springboards into cool loveliness. It all seemed very remote. A couple of hours slipped by but five o'clock still seemed a vague and distant mirage. Finally the Chief took his feet down off the desk.

"Anyway," he said, "We can't all take it easy at once. Somebody's got to stay in town and keep slugging away." We felt very sorry for ourselves.

Then I had an inspiration.

"There's one pleasure," I said, "that gives just as much satisfaction here as anywhere else." And I handed him a Bachelor. The Chief winked as he drew in a long fragrant puff.

"Here's to the workers," he said, "the men who really deserve to say, 'It's good to get back to a ten cent cigar!'"



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Pete Output Increases For First Half of 1935

International Petroleum Co. has in the first half of 1935 produced 15.9 million barrels of crude oil or slightly above the same period in 1934. Peru showed the largest increase.

June output was 1.2 million barrels for Peru and 1.5 million barrels for Colombia, Peru's contribution being slightly under May because June has 30 days and May 31 days whereas Colombia shows a slight percentage advance in spite of that handicap of a day.

N.S. Gold Prospects

According to Hon. Michael Dwyer, Minister of Mines, there are at present thirty gold operations in the development stage in Nova Scotia, ten of which have already reached the stage of production and are not only paying their way but putting something aside.

Turner Valley Oil

Closing with the best month from a production standpoint in 1935, Turner Valley oil deliveries for the first six months of this year totalled $476,309 barrels.

Output of Electricity Shows Gain in June

Output of central electric stations in Canada in June amounted to 1,815,912,000 kw. hours against 1,708,-632,000 kw. hours in the 1934 month and 1,923,071,000 kw. hours in May.

Exports of power to the United States amounted to 107,944,000 kw. hours in June, compared with 94,-256,000 kw. hours in May. The June, 1935, figure, however, was 5,646,000 kw. hours below the 1934 month's exports.

Provincial Mine Camps

Four camps are being set up in British Columbia for the purpose of providing instructions to single men in placer mining. The courses extend over a period of six weeks and the students share equally in the takings.

Government Mining

The British Columbia Government is undertaking surveys of several areas in the province believed to be mineralized and has several parties in the field for this purpose.

An Industrial Opportunity

The gypsum deposits of Nova Scotia are the largest known in Canada.

They occur associated with lower carboniferous strata in beds frequently 100 feet in thickness.

These deposits exist at tidewater, and some of the most valuable are near Windsor and Walton, Hants County; Amherst, Cumberland County; Antigonish; and northern Cape Breton Island.

Conditions are most favourable for the development of a large industry in connection with the production of this gypsum. A relatively small amount of this mineral is manufactured in Nova Scotia into stucco, plaster of Paris, fertilizer, etc., but most of the gypsum mined in the province at the present time is shipped abroad in the crude form.

Inquiries are solicited.

Honourable Michael Dwyer
Minister of Public Works and Mines
Province of Nova Scotia
Halifax, Canada